

Hello and thank you for the opportunity to testify. My name is Lyla Shornstein. I am the Political Director at the Center for Climate Integrity, a nonprofit that empowers communities and officials with tools and research to hold major oil and gas corporations accountable for deceiving the public about how their products fuel climate change.

There's a growing crisis in insurance markets nationwide, including here in New York. Home insurance premiums are going up every year — [twice as fast as the rate of inflation](#). In some communities, insurers are cancelling peoples' policies and refusing to issue new ones, citing the risk of worsening extreme weather disasters.

It's not just homeowners being impacted — landlords are paying more to insure their buildings, and [passing those costs on to renters through higher rents](#). Rates are also rising for commercial properties, increasing costs to small businesses.

There's no mystery what's driving this — insurance companies are having to pay out increasing amounts of money to policyholders [due to damage from extreme weather disasters](#) that are getting worse with each passing year. Ida caused [\\$75 billion in damages nationwide](#), including up to \$9 billion in flooding damage in New York alone. Just this year, New York has seen two historic rain events that caused extreme flooding damage and even drowning deaths — [first in July](#) and [another just last month](#).

There's also no mystery who's at-fault for these escalating harms. Decades of scientific research has shown that fossil fuel pollution is warming the atmosphere and supercharging deadly wildfires, floods, and storms that are causing billions of dollars in economic damage. The companies responsible for that pollution [knew decades ago](#) that their products would cause potentially “catastrophic” extreme weather events. But rather than change their business model, they [engaged in a decades-long campaign](#) to deceive the public about the dangers of fossil fuels in order to keep the world hooked on them.

Even as climate scientists grew increasingly certain that fossil fuels were driving climate change, these companies worked overtime to mislead the public about the connection and sow doubt among policymakers — [thwarting efforts to transition to clean energy](#).

How is it fair that everyday New Yorkers are shouldering all of the costs of extreme weather disasters through higher insurance rates, while the companies that caused the problem pay nothing? We're never going to bend the curve of ever-rising insurance costs without addressing the core driver of higher prices: the worsening climate disasters and extreme weather that Big Oil knowingly made a reality.

New York and other states need to explore legislative pathways to bring Big Oil to the table to shoulder some of the growing costs of extreme weather disasters.

This is not a radical idea. There's clear precedent for third parties that caused insurance losses to be held financially accountable for them. When you get rear-ended in a traffic collision, your insurance company goes after the other driver in court. When utilities fail to maintain their power lines and ignite a wildfire that destroys communities, insurance companies take them to court — and [routinely win settlements](#).

States like [Hawaii](#) and [California](#) are advancing legislation that would hold the oil and gas companies fueling climate disasters accountable and defend everyday Americans from having to pay for climate damages through ever-increasing insurance rates. New York should consider similar approaches.

Following devastating hurricanes and wildfires, states like [Florida](#) and [California](#) have seen massive spikes in the number of people who can't secure home insurance on the private market and must move to "insurer of last resort" plans (FAIR Plans) that typically offer substandard coverage at a higher cost. When FAIR plans are threatened with insolvency, private insurers seek higher rates or impose surcharges on the rest of their policyholders in the state, raising the cost of insurance for everyone. California's FAIR plan is in the midst of raising its rates on the average policyholder [by more than 35%](#), while the rest of the state's homeowners are covering the cost of the [\\$1 billion emergency bailout](#) needed to keep the plan solvent following the LA wildfires.

While New York has not yet reached a California or Florida level of crisis, it is one Hurricane Ida-level storm away from having the same problem: huge rate hikes across the state and insurers refusing to cover high-risk properties. According to insurance industry data, the New York metro area is [the riskiest location in the country](#) for financial damages from storm surges and hurricane winds. New York's Fair Access to Insurance Requirements (FAIR) Plan equivalent, the New York Property Insurance Underwriting Association, [currently covers 22,225 homeowners and businesses, representing \\$7.6 billion in property](#) — numbers that could quickly balloon following the next climate disaster.

While New Yorkers are paying for the financial consequences of climate change, Big Oil continues to rake in record profits. The global insurance industry reported [an estimated \\$140 billion in losses](#) from extreme weather disasters last year. That's a big chunk of money, but one that could be easily covered by an oil and gas industry that has [averaged nearly \\$1 trillion in profits per year](#).

It's not fair that New Yorkers are being asked to pick up the entire tab for the damages of climate change while the companies that made the problem worse pay nothing. The state needs every tool in the toolbox to protect its citizens from massive insurance rate hikes as climate disasters worsen in the coming years. That includes the ability to hold accountable the at-fault companies that knowingly made the problem worse.

Thank you for the opportunity to testify today and for convening this crucial public hearing.