



November 18, 2025

Good afternoon Chairs Bailey, Kavanagh, and Skoulfis.

My name is Jordan Haedtler, and I work on insurance policy at Climate Cabinet Action.

Climate change is making insurance less affordable and less available throughout the country. Last week, my colleagues and I released a report with nine recommendations for state policymakers to better integrate climate risk into insurance regulation.¹

I would like to highlight several areas where legislation introduced this week, S. 8583, is responsive to those recommendations:

1) States should integrate climate resilience-building into insurance pricing and underwriting.

Numerous studies have shown insurance becomes more cost-effective with adoption of climate-resilient practices such as ecological forest management and ecological floodplain management, which can bring down insurance losses substantially.² Many expert organizations have recommended that climate adaptation measures be accounted for through insurers' pricing and underwriting practices.³

Earlier this year, Colorado became the first state in the U.S. to act on this recommendation when it passed legislation requiring insurers to factor community and household mitigation measures into insurance modeling.⁴

Passing similar legislation in New York can help foster healthier insurance markets. Homeowners want a clear picture of what mitigation steps will result in more affordable insurance. Compelling greater transparency in

¹ Climate Cabinet Education, [*Utilizing Economic Power to Manage the Energy and Climate Transitions: A Roadmap for State Policymakers*](#), November 2025

² The Nature Conservancy and Willis Towers Watson, [*Wildfire Resilience Insurance: Quantifying the Risk Reduction of Ecological Forestry with Insurance*](#), 06.27.2021

³ Mohr, Yong and Zweimueller, [*Mind the climate-related protection gap: reinsurance pricing and underwriting considerations*](#), 03.21.2025

⁴ Colorado, [HB 25-1182](#) (2025)

risk modeling and clarifying that hazard mitigation is a factor in that modeling will likely yield more responsible actions from governments, insurance companies, and policyholders alike.

2) States should collect data to improve our understanding of how climate risk is affecting insurance markets.

In January, the Federal Insurance Office published findings from a nationwide climate-related data collection of insurance markets.⁵ It is vital that data like this is collected on an ongoing basis, and that the data collected is made more granular and widely available. States can help with this, and S. 8583 would do exactly that.

This legislation specifically addresses one of the most critical data gaps in this policy area: how the insurance crisis is impacting renters and hampering the development of more affordable housing.

A survey released in March by the Federal Reserve Bank of Minneapolis confirmed that insurance costs are causing stress for multi-family housing.⁶ We know this has been a challenge in New York, and a 2022 report from NYDFS confirmed that affordable housing owners were asked by insurance companies whether buildings contained subsidized or Section 8 units.⁷

The data compelled by S. 8583 should shed light on what more can be done to support more affordable housing in the midst of our nationwide insurance crisis.

3) Finally, our report makes a number of recommendations for states to reform their insurer of last resort programs.

When the protection gap— the difference between insured and uninsured losses— grows, disaster recovery costs borne by governments, businesses,

⁵ Federal Insurance Office, [*Analyses of U.S. Homeowners Insurance Markets, 2018-2022: Climate-Related Risks and Other Factors*](#), January 2025

⁶ Federal Reserve Bank of Minneapolis, *Rising property insurance costs stress multi-family housing*, [03.04.2025](#)

⁷ New York Department of Financial Services, *Affordable Housing and Insurance*, [11.22.2022](#)

and households go up— and the economy as a whole can suffer. In order to fulfill the task of stabilizing insurance markets, we need to close the protection gap.

There are three major pieces to this puzzle: first, there's the admitted market, where insurers licensed to do business in the state are subject to rate review and solvency regulations. Then, there's the residual market provided by the New York Property Insurance Association (NYPIUA). Finally, there's the non-admitted market, where surplus lines are not subject to the same regulatory and consumer protections as admitted market policies.

Climate change is increasing pressure on all three pieces of this puzzle. The data collection that I mentioned earlier showed a 50% increase in the number of residual policies nationally from 2018-22.⁸ However, the same data set showed that residual line coverage in the NYPIUA had declined over the same time period.

Although residual line growth can be a sign of an unhealthy insurance market, shrinking enrollment like we have seen in the NYPIUA can also be a bad development. When that happens, policyholders get pushed onto surplus lines or go without insurance entirely, which can cause the protection gap to grow.

We have data confirming that New Yorkers are becoming more reliant on surplus lines. A recent paper from a Georgetown Law professor found that surplus line premium growth nearly doubled between 2018 and 2022, and that New York has consistently ranked in the top four states for surplus line growth.⁹ To guard against this trend, better management of the NYPIUA is needed. State insurers of last resort are often characterized as “state run,” but they are typically operated with minimal governmental oversight.¹⁰

⁸ Federal Insurance Office, [*Analyses of U.S. Homeowners Insurance Markets, 2018-2022: Climate-Related Risks and Other Factors*](#), January 2025

⁹ Saad, [“The Regulatory Paradox of Climate Insurance.”](#) 09.17.2025

¹⁰ Climate Cabinet Education and Climate & Community Institute, [*Insurers of Last Resort: Why Today's FAIR Plans Need a Redesign to Address the Home Insurance Crisis*](#), October 2025



Because questions of how to close the protection gap and stabilize insurance markets in New York are fundamentally public policy questions, public officials should have a say in how they're decided.

S. 8583 helps fulfill that objective by increasing the number of public appointees serving on the board of the NYPIUA.

I urge the New York Senate to support S. 8583.

Sincerely,
Jordan Haedtler, Climate Cabinet Action