



Council of New York Cooperatives & Condominiums (CNYC Inc.)

November 18, 2025

INTRODUCTION

The Council of New York Cooperatives & Condominiums (CNYC Inc.) appreciates the opportunity to participate in this hearing and future discussions on actions New York State can take to strengthen the residential property insurance market and address the specific hardships facing cooperatives and condominiums.

CNYC was formed in 1976 as a not-for-profit membership organization designed to provide education, advocacy, and information to and for housing cooperatives and later condominiums. CNYC instructs boards on best practices, holds regular evening classes, hosts an all-day Annual Housing Conference, prepares a Annual Study of Operating Costs that analyzes the major expenses in over 1,000 cooperatives and condominiums, shares pertinent information, and advocates on behalf of cooperatives, condominiums, and their homeowners.

As the risk exposure for New York carriers providing residential property insurance has grown, and re-insurance rates have escalated, underwriting requirements have shifted, leaving a smaller pool of carriers to write policies for residential property owners including cooperatives and condominiums. Big I NY has reported on this change, stating that, “carriers [are] limiting new business (87%), restricting coverage through exclusions or increased deductibles (100%), and non-renewing customers (87%).”¹ The contracting market has led to reduced competition, an inability to adequately spread risk, and a reduction in the availability of affordable coverage.

Cooperatives and condominiums, and their managing agents, have self-reported annual premium increases ranging from 15% to over 300%, an excessive number of non-renewals, an expansive list of demands carriers are making to place insurance, and reduced coverage. Further, aggressive risk subrogation and insurance requirements has limited the pool of available vendors and increased the cost of performing capital work and building maintenance.

New York State can act to mitigate some of the factors that are increasing risk exposure and driving the increase in premiums and non-renewals. Support for resiliency measures undertaken by cooperatives and condominiums alongside infrastructure upgrades undertaken by municipalities would reduce the extensive damage being caused by severe weather events. Shifting the compliance landscape to reduce unnecessary costs, while addressing the difficult litigation environment and

¹ Big I NY. Memo to NYSDFS: New York’s Impending Insurance Crisis. 2 Oct. 2023. https://www.biginy.org/newsfeed/SiteAssets/Crisis_10.2.23.pdf



Council of New York Cooperatives & Condominiums (CNYC Inc.)

November 18, 2025

potential for fraud inherent in the state's labor laws, 240/241 ("Ladder Laws")², would enable cooperatives and condominiums to proactively address aging mechanical and structural building systems. Support for cooperatives and condominiums undertaking energy efficiency and electrification measures would reduce the risk of the climate transition addressed in new underwriting guidelines.³ Similarly, the state could review the impact new energy and existing building codes are having - and will have - on replacement costs in New York State's pre-war residential building stock, including cooperatives and condominiums.

There is a clear correlation between the availability of affordable insurance and the success of cooperative and condominium homeownership. CNYC appreciates this opportunity to explore potential solutions to the hardship cooperatives and condominiums are encountering as they seek appropriate coverage.

BACKGROUND

IMPACT ON COOPERATIVE AND CONDOMINIUM HOMEOWNERS

Cooperative and condominium homeowners span the full economic spectrum. They include first-time buyers, established professionals, municipal workers, seniors on fixed incomes, and disabled homeowners. In total, there are over 750,000 cooperative and condominium apartments in New York City, which provide a home to over 1.4 million New Yorkers. Regardless of location and homeowner demographic, each homeowner's apartment generally represents their largest investment, expense, liability, asset, and their home.

For most New Yorkers, cooperatives and condominiums provide the only affordable route to sustainable homeownership. According to the New York City Comptroller's March 2024 Spotlight on NYC's Homeowner Housing Market, cooperatives and condominiums made up 99.1% of all homes available for sale in New York City, with an asking price of less than \$400,000, and 84.0% of all homes available for sale for between \$400,000 and \$800,000.⁴ If New York City is to continue attracting and holding first-time homeowners, it is essential that cooperatives and condominiums remain viable options.

² Kent, Sean. 2024 *Insurance Market Trends: General Liability, D&O, and Umbrella Policies*. FirstService Residential, 2024, www.fsresidential.com/new-york/news-events/articles-and-news/2024-insurance-market-trends/.

³ New York State Department of Financial Services. Guidance for New York Domestic Insurers on Managing the Financial Risks from Climate Change. 15 Nov. 2021, www.dfs.ny.gov/industry_guidance

⁴ New York City Comptroller. *Spotlight: New York City's Rental Housing Market*. 17 Jan. 2024, <https://comptroller.nyc.gov/wp-content/uploads/documents/January-2024-Spotlight.pdf>.



Council of New York Cooperatives & Condominiums (CNYC Inc.)

November 18, 2025

It is not enough to ensure homes are affordable at the point of purchase; they must remain so over the course of the life of each homeowner. Longterm affordability is in decline. According to the comptroller's report, 27.2% of homeowners without mortgages in Manhattan — where the overwhelming vast majority of homeowners live in cooperatives and condominiums — are housing-cost burdened. Across all five boroughs, 45% of homeowners with mortgages are housing-cost burdened, and 25.2% of homeowners without mortgages are housing-cost burdened.⁵ If the increase in insurance costs cannot be controlled, affordability will continue to drop, leaving long-term homeowners in an untenable position.

INSURANCE IN COOPERATIVES AND CONDOMINIUMS

All New York City cooperatives and condominiums carry insurance. Policies are renewed either annually or triennially, with the market being split between those buildings that pay in one lump sum and those that finance the payment over time.

Typically, the standard cooperative/condominium will hold the following policies: Property, Equipment, Liability, Directors and Officers, Umbrella, Fidelity Bond / Crime Coverage, Cybersecurity and Social Engineering Fraud, Workers Compensation, Disability, and Environmental Insurance. Premiums and related interest are paid from maintenance / common charges.

In addition to buildingwide insurance policies held by the cooperative or condominium, best practices require individual homeowners to purchase and maintain homeowners insurance for purposes of risk mitigation and to limit homeowner-to-homeowner disputes. Many governing documents include this requirement, but the practice is not universal. Even when all parties have insurance, disparities between the governing documents, corporate practice, and insurance policies regarding the responsibility of the homeowner versus the corporation / association can lead to instances of no coverage.

Almost all building-wide policies require the cooperative corporation/condominium association to confirm that all contractors performing any work in the building carry adequate insurance for the jobs being undertaken, list relevant parties as additional insureds, and execute hold harmless agreements and indemnity agreements. Cooperatives and condominiums have had to update governing documents, alteration policies, and subleasing / leasing policies to ensure conformance by individual shareholders / unit owners. Further, with the increased concern over liability, professionals - including

⁵ New York City Comptroller. *Spotlight: New York City's Rental Housing Market*. 17 Jan. 2024, <https://comptroller.nyc.gov/wp-content/uploads/documents/January-2024-Spotlight.pdf>.



Council of New York Cooperatives & Condominiums (CNYC Inc.)

November 18, 2025

managing agents - are asking for subrogation clauses in contracts - creating conflict with building-wide insurance carriers.

Increases in the cost of insurance premiums and risk subrogation have had a multi-fold affect on cooperatives and condominiums. Shareholders / unit owners must contribute more for the building's policies, for their own homeowners' policies, for capital projects undertaken by the cooperative or condominium, for work done in their apartments, and for legal fees to resolve disputes between parties.

PRESSING ISSUES

Cooperatives and condominiums are having increasing difficulty obtaining appropriate and affordable insurance policies.

NON-RENEWALS

Foremost among concerns expressed by cooperative and condominium boards is the increase in non-renewals. Based on the notices of non-renewal shared with CNYC, cooperatives and condominiums have been denied continuing coverage due to:

- Potential litigation and slip-and-fall concerns
- Apartment-to-apartment water leaks
- Refusal to ban lithium-ion battery e-mobility devices
- Failure of existing buildings to meet new building codes
- Concerns over facade safety work and sidewalk sheds
- Claims for back-up / flooding events as a result of cloudbursts / flash-flooding

Actual loss (payouts) over a five year period in the sample cases appear to be minimal compared with the held amounts.

Non-renewal notifications issued at 60-days prior to the expiration of policies leaves cooperatives and condominiums vulnerable during the negotiating process, and provides little time to fully consider potential remediation recommendations.

INCREASES IN PREMIUMS

A small sampling of the data that CNYC has received from members shows significant increases in premiums:



Council of New York Cooperatives & Condominiums (CNYC Inc.)

November 18, 2025

- Bronx cooperative —> \$174,000 per year to \$595,000 per year (141 units)
Additional cost \$2,985 per household annually due to a **241.95%** increase in premiums
- Brooklyn cooperative —> \$26,000 per year to \$43,000 per year (31 units)
Additional cost \$548 per household annually due to a **65.39%** increase in premiums
- Brooklyn Cooperative —> \$80,000 per year to \$120,000 (92 units)
Additional cost \$435 per household annually due to **50.00%** increase in premiums
- Brooklyn Cooperative —> \$629,369 per year to \$1,394,357 per year (930 units)
Additional cost \$823 per household annually due to a **121.55%** increase in premiums
- Brooklyn Cooperative —> \$51,211 per year to \$94,834 per year (60 units)
Additional cost \$727 per household annually due to a **85.18%** increase in premiums
- Manhattan Cooperative —> \$70,789 per year to \$320,788 per year (140 units)
Additional cost \$1,786 per household annually due to **353.16%** increase in premiums
- Manhattan Condop —> \$61,269 per year to \$158,479 per year (77 units)
Additional cost \$1,262 per household annually due to a **158.66%** increase in premiums

These systemic increases have likewise been cited in reports from larger management firms and trade publications.

IMPACT OF NEW UNDERWRITING REQUIREMENTS

New underwriting requirements, combined with an aggressive litigation environment, increased climate events, overtaxed and aging municipal infrastructure, increased replacement costs due to new energy and existing energy codes, aging mechanical and structural building systems, and the declining financial health of cooperatives and condominiums due to the competing demands of compliance projects and the transition to a clean energy system are driving insurance costs up and the availability of adequate coverage down. Most cooperatives and condominiums have had to reduce coverage and increase deductibles, planning to “self-insure” for water leaks and similar damage, while also paying larger premiums.

MUNICIPAL INFRASTRUCTURE AND CLIMATE EVENTS

According to an “Assessment of NYC Cooperative Housing’s Climate Vulnerability and Barriers to Adaptation” over one-third of all cooperatives in NYC are at risk of flooding. The majority of the risk (79.6%) stems from “pluvial flooding caused by rainfall and inadequate drainage.”⁶ In areas such as Downtown Brooklyn, where there has been a tremendous increase in new development alongside older residential buildings and residential conversions, combined stormwater-sewer systems have

⁶ Shi, Linda, et al. An Assessment of NYC Cooperative Housing’s Climate Vulnerability and Barriers to Adaptation. Cornell University, Oct. 2024, labs.aap.cornell.edu/sites/aap-labs/files/2025-04/CASA-report-Final.pdf.



Council of New York Cooperatives & Condominiums (CNYC Inc.)

November 18, 2025

proven unable to withstand new rainfall levels. Recurring sewage back-ups have occurred in older cooperatives and condominiums as a result. Work done to mitigate future damage, such as the installation of holding tanks and sump-pump systems - costing hundreds of thousands of dollars - has been undertaken at the expense of cooperative and condominium homeowners. The impact of stormwater flooding points to the need for stormwater management improvements and improved drainage infrastructure.

Most current mitigation efforts, such as the East Side Coastal Resiliency Project, are focused on protecting neighborhoods from storm surge-based flooding and will not protect buildings from rain-based flooding.⁷ Further, there is a gap in funding for flood resiliency projects for cooperatives and condominiums, as most of the programs are designed for single-family to four-family homes.⁸ These issues are compounded by the inability of cooperatives and condominiums to access FEMA grants for repairs to common areas despite years of advocacy.

Support for appropriate infrastructure to cope with climate change, proactive resiliency work, such as installing holding tanks or moving electric equipment, and more resilient facades and roofs would allow proactive cooperatives and condominiums to reduce risk, increasing the likelihood of meeting changing underwriting requirements.

AGING BUILDING SYSTEMS AND COMPETING DEMANDS ON CAPITAL

Most cooperatives and many condominiums have aging mechanical and structural building systems. In New York City, many are landmarked - or in landmark districts - and were built before 1950. The average year of construction is 1941.

New York City has stringent compliance, inspection, reporting and repair requirements for:

- Facades (LL11)
- Parking structures (LL126)
- Retaining walls
- Parapet walls (LL126)
- Gas piping (152)

Building codes and local laws also mandate regular inspections for:

⁷ Environmental Defense Fund. *An Assessment of NYC Cooperative Housing's Climate Vulnerability and Barriers to Adaptation*. Jan. 2024, blogs.edf.org/growingreturns/wp-content/blogs.dir/52/files//CASA-Report-Final.pdf. Accessed 17 Nov. 2025. p. 13.

⁸ Shi, Linda, et al. *An Assessment of NYC Cooperative Housing's Climate Vulnerability and Barriers to Adaptation*. Cornell University, Oct. 2024, labs.aap.cornell.edu/sites/aap-labs/files/2025-04/CASA-report-Final.pdf.



Council of New York Cooperatives & Condominiums (CNYC Inc.)

November 18, 2025

- Boilers and burners
- Elevators
- Water Tanks
- Cooling Towers
- Back-flow Prevention Devices
- Smoke, carbon monoxide and natural gas detectors
- Sprinkler and other fire suppression equipment
- Carbon emissions (calculated)

These requirements mitigate risk exposure from safety hazards. However, the cost of compliance, including professional fees, has grown exponentially, due in large part to pass-ons for the cost contractors must pay for their insurance. Further, performing work increases insurance premiums and non-renewals as the work itself - even when it appears to be routine - presents a risk under labor law. According to Jillian Menna, Vice President and General Council of Genatt V, "You might have a contractor come to maintain your sprinklers, and it might be purely maintenance. If during the course of maintaining your sprinklers, he realizes that a sprinkler head needs to be replaced, comes down off his ladder, gets the sprinkler head, and goes back up the ladder to replace the sprinkler head, that just went from maintenance to repair and renovation under the labor law."⁹

The cost of compliance with mandatory measures has left cooperatives and condominiums with deferred work, depleted reserve funds, and housing cost burdened homeowners. Proactively replacing water pipes and other such systems that might reduce risk from interior floods is typically not financially feasible. Considering unique facade, roofing and courtyard solutions that could mitigate water infiltration from storms is also out of reach. Addressing the many costs of labor law is necessary to reduce the cost of maintaining and updating New York's building stock. While not a state issue, municipalities such as New York City must simultaneously look at ways to streamline compliance.

TRANSITIONING TO A CLEAN GRID

New York State's Climate Leadership and Community Protection Act, New York City's Climate Mobilization Act, revised State and City energy codes and revised State and City existing building codes have all added to replacement costs and carry transitional risk. Retrofitting older buildings is an extremely costly and high-risk proposition. Cooperatives and condominiums cannot access sufficient funding and board members must be cognizant of the varying economic ability of individual

⁹ Kent, Sean. *2024 Insurance Market Trends: General Liability, D&O, and Umbrella Policies*. FirstService Residential, 2024, www.fsresidential.com/new-york/news-events/articles-and-news/2024-insurance-market-trends/.



Council of New York Cooperatives & Condominiums (CNYC Inc.)

November 18, 2025

homeowners. In New York City failure to decarbonize along a set timeline subjects cooperatives and condominiums to penalties and potentially reduced sales prices.

Cooperatives and condominiums need additional financial support and dedicated slots in NYSERDA's pilot programs. The State's Sustainable Future Fund included money for decarbonizing individual cooperative and condominium residences, to help income qualifying cooperative and condominium homeowners access equal incentives to their peers in single-family to four-family homes. To date these funds have not been assigned, and a program has not been developed. Beyond these funds, more expansive tax abatement programs will be required. A reintroduced J-51-R bill with an increased assessed value cap would provide assistance to more middle-class cooperatives and condominiums, particularly for energy efficiency and weatherization envelope projects, and pre-electrification and electrification work.

CONCLUSION

Cooperative and condominium owners face mounting costs that are threatening the ongoing affordabilities of their homes. Rising insurance premiums, risk subrogation, reduced insurance coverage, the direct and indirect costs of complying with new environmental policies, including through their impact on replacement costs, and the cost of "self-insuring" for leaks and other such damages are taking a huge toll. Annual increases in premiums, ranging from 15% to over 300% are creating additional hardships. CNYC is grateful to the senate for considering various reforms, and looks forward to future participation as ideas are developed and legislation is introduced.