Testimony Before the New York State Senate Committees on Insurance, Housing, Construction, and Community Development, and Investigations and Government Operations: Regarding Rising Insurance Premiums across New York State

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Introduction

My name is Kevin Wolfe, I am the Deputy Director for Advocacy and Public Affairs for the Center for NYC Neighborhoods. I would like to thank Chair James Skoufis' of the Committee on Investigations and Government Operations, Chair Jamaal Bailey (D-Bronx) of the Committee on Insurance, and Chair Brian Kavanagh (D-Manhattan) of the Committee on Housing, Construction and Community Development, for holding today's hearing on rising property insurance premiums and the impact it holds for single to multi-family homeowners across New York.

About the Center for NYC Neighborhoods

The Center promotes and protects affordable homeownership in New York so that middle- and working-class families are able to live in strong, thriving communities. Established by public and private partners, the Center meets the diverse needs of homeowners throughout New York state by offering free, high-quality housing services. Since our founding in 2008, our Homeowner Protection Program (HOPP) network has assisted 380,000 low- and moderate-income families keep their homes and gain financial stability, preserving over $10 billion in neighborhood property value across New York State. We provide services ranging from free housing and legal foreclosure prevention counseling, estate planning services, home repair assistance, climate-related disaster recovery, and more. We have provided more than $60 million in funding to community-based partners. Major funding sources for this work include the New York State Division of Homes and Community Renewal, and the Office of the State Attorney General, along with other public and private funders.

Executive Summary

Today's housing and insurance affordability crises are not just a New York City problem, they are problems felt across all of New York State. Low- and moderate-income homeowners in every corner of our state are facing rising property insurance and housing costs, which lead to instability and displacement. Making New York more affordable requires policies that ensure people can stay in their homes and communities. It takes strong steps to do that, with provisions aimed at both keeping New Yorkers in their homes and expanding access to homeownership for more New Yorkers. The key takeaways from our testimony, particularly in relation to rising property insurance premiums, include:

- Homeowners are in fact facing rising insurance premiums with limited coverage
- Disaster climate events are impacting the homeowners insurance market
- Financial Resiliency Efforts have to be taken to ensure NY homeowners don't lose their homes
- Homes are in need of resilient upgrades in the face of severe climate related events
- Call for data transparency so we can assess the actual impact on one to three family homes

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Rising Insurance Premiums Across New York State

Homeowners in New York face rising insurance premiums due to a multitude of factors ranging from climate related events, decreasing number of insurance companies offering coverage, changes in the reinsurance market, inflation, discriminatory practices, and poor regulation in the insurance industry.[1] Based on our analysis and the research put forth by PolicyGenius in 2024, New York homeowners face an average cost of homeowners insurance determined to be around $1,114 per year or $93 a month while the average cost of homeowners insurance for the nation is $1,754 per year.[2] In New York City, the average cost of homeowners insurance is determined to be around $1,511 per year or $126 a month. For many New Yorkers living paycheck to paycheck, the increase in these premiums might be enough to cause a default, limit their monthly expenses, and leave them with little to no options left. In addition, the increase in insurance premiums impacts the next generation of homeowners who are left to face unmortgageable homes due to surges and fleeing insurers.[3]

With an expansive network such as HOPP, we've recently been able to address a Queens homeowner's growing concerns as their home insurance provider dropped them from coverage all together. Their loss of coverage expands on substantive issues homeowners are facing all over New York. We're currently working with the homeowner and connecting them to resources that can help evaluate their next coverage provider despite roadblocks faced in the process. It is important to highlight whether or not their home is in a flood prone area or high risk area, monthly premiums are still escalating. The growing share of foreclosure losses is largely driven by the escalating insurance crisis and severity of flooding anticipated in the coming decade[4]. Many homeowners are and will be vulnerable to foreclosure unless necessary actions are set in place to combat these losses, especially taking into consideration homes in high risk areas and vulnerable to severe climate related events.

How Climate Related Risks are Reshaping the Homeowners Insurance Market

Natural disasters drastically increase the numbers of distressed homeowners confronting the threat of foreclosure as soon as they take place. This correlation has been analyzed and researched by First Street in their recent report, and highlights the growing influence of climate related events on mortgage market performance, with flooding being the leading climate driver of foreclosure risk, with inland and riverine flooding posing significant threat in areas with low insurance uptake.[5]

Homeowners are faced with stressors such as rising home insurance premiums, gaps in flood insurance coverage, property value depreciation, and a limited capacity to make their homes weather resistant. For homes in FEMA's Special Flood Hazard Areas (SFHAs) flood insurance is mandatory, but homes outside of those designated zones are also tackling insurance rate hikes without flood insurance coverage. When a home faces severe climate related events without flood insurance coverage, the total cost for repairs

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[1] The New York Housing Conference. The Alarming Risk of Rising Insurance Costs for Affordable Housing. March 2024. https://thenyhc.org/wp-content/uploads/2024/03/Affordable-Housing-Insurance-Policy-Brief-3.16.24-Final.pdf

[2] Pat Howard and Jennifer Gimbel at Policy Genius. Average Homeowners Insurance Cost. October 1st, 2024. https://www.policygenius.com/homeowners-insurance/how-much-does-homeowners-insurance-cost/

[3] Newsweek. Insurance Crisis Could Spark Housing Market Crash Worse Than 2008: Report. December 20th, 2024. https://www.newsweek.com/insurance-crisis-could-spark-housing-market-crash-worse-2008-report-2003540

[4] First Street. The 13th National Risk Assessment Climate, the 6th "C" of Credit. May 2025. https://firststreet.org/research-library/climate-the-sixth-c-of-credit

[5] First Street. The 13th National Risk Assessment Climate, the 6th "C" of Credit. May 2025. https://firststreet.org/research-library/climate-the-sixth-c-of-credit

could be all on the homeowner leading to financial strains and mortgage defaults. This issue has been felt by many homeowners in the aftermath from Hurricane Sandy, Hurricane Ida, tropical storm Henri, and many more. It's necessary to take the proper storm resiliency efforts and understand how climate related risks are influencing homeowners ability to retain their homes without mortgage defaults.

Given the correlation between climate related risk events and mortgage defaults, we're advocating for FEMA to update and create new flood maps. Currently, around 75% of the maps are outdated and inexact for some areas leading to misinformation and an unexpected high risk during climate related events.[6] There are several geographical areas that have been previously labeled low risk, however if examined now the area can be more accurately assessed as high risk due to the severe threats from climate change. This climate reality makes it clear resiliency efforts, accurate flood mapping, and new geographical considerations should be taken into account when assessing the risk of a property or home.

Flood Recovery Fund & Financial Resiliency Efforts

Climate change is one of the biggest challenges facing New York City. The City's increased vulnerability to coastal storms, high tide flooding, and extreme weather poses a threat to nearly 1.3 million people - mostly low-income individuals and/or families - that live in waterfront communities. However, climate change doesn't just impact coastal areas: In 2021, Hurricanes Henri and Ida brought deadly floods, showing that climate change, particularly excessive rainfall flooding, causes devastation inland as well. Notably, many of these residents do not carry flood insurance, nor has infrastructure maintenance been prioritized beyond our coastline. Many of the City's 8.6 million residents are vulnerable to flooding and do not know it.

Numerous gaps remain in safeguarding low-income families from financial ruin after a climate event. Even a few inches of water can cost $25,000+ in damage, triggering financial distress. With limited savings and without access to credit, lower income families often struggle with critical expenses like house payments, medical bills, childcare and unexpected emergency costs. Financial resilience – the ability to recover from serious economic shock – is necessary for wide-scale urban disaster resilience. Unfortunately, it is a major gap that is underscored with each disaster.

To address insurance coverage gaps and affordability issues, the Center piloted the Flood Recovery Fund, an innovative community-based insurance program that deploys unrestricted cash grants to homeowners affected by severe rainfall floods in New York City. With grant money from the National Science Foundation, the Center purchased a novel parametric flood policy that covered specific inland communities with a history of repetitive losses and a high concentration of low to moderate-income homeowners. The Center, acting as an intermediary between insurance and homeowners, developed the recovery program to test the speed and efficiency of a risk transfer product that unlocks unrestricted dollars without the time consuming adjustor process.

[6] Evan Bush, NBC News. Under Water: How FEMA's outdated flood maps incentivize property owners to take risks. https://www.nbcnews.com/science/environment/water-femas-outdated-flood-maps-incentivize-system-risk-negotiable-rcna220529

This pilot serves as a national model for addressing coverage gaps and affordability constraints through public and private partnerships. The Flood Recovery Fund is a first-in-the-nation solution that will serve as a model for other flood-prone communities across the country and launch a stronger ecosystem of recovery for climate-impacted families in the future.

Promote Resilient Housing to Combat Increasing Homeowner Insurance Costs

We support the New York Resilient Retrofits Loan Program (S5230,A5191) in order to provide necessary relief to homeowners dealing with the brunt of climate change and the negative impacts of extreme weather events such as flooding and heat. Homeowners need to be prioritized for rehabilitation, remediation, disaster preparedness, and energy efficiency to ensure all homes are safe, healthy, and free of dangerous conditions. We'd like to acknowledge the efforts of Assemblymember Khaleel Anderson and Senator Leroy Comrie to amend and expand the existing Resilient Retrofits Loan Program. These efforts are necessary and support the overall goal of providing homeowners with the capacity and resources to reduce the risk their homes face due to climate change. In New York, homeowners face rising sea level challenges, stormwater flooding, prominent hurricanes, and unexpected weather conditions. The Resilient Retrofits Loan Program will ensure homeowners can fortify and upgrade their homes in the face of climate change.

For this reason, we're appreciative of Governor Hochul and the legislature's efforts to support low to moderate income homeowners through $50 million in funding for the Resilient and Ready program which assists families with repairs in the face of extreme weather events.[7] This funding helped the launch of the Resilient Retrofits program we administer in partnership with NYS Homes and Community Renewal (HCR), which aims to support climate resilience upgrades for low- and moderate-income homeowners in New York City. Through a combination of revolving loan funds and deferred forgivable loans, the program finances retrofits to mitigate climate risks for eligible single-family homes. Additionally, the program provides funding for energy efficiency upgrades and other necessary home repairs.

Investments into home repair resiliency programs could lower the level of climate related risk homeowners face due to harmful weather conditions and can eventually lower their home insurance premiums. For this reason, the Center provides assistance for homeowners seeking information on their home's flood risk factor through FloodHelp NY. The Center administers FloodHelpNY.org[8], a digital platform designed to educate New Yorkers on their flood risk, in partnership with the Mayor's Office of Climate and Environmental Justice and the Governor's Office of Storm Recovery. These efforts and programs combat increasing homeowner insurance costs by providing homeowners with the education to figure out their options and the necessary tools to upgrade their homes making them more resilient to extreme weather events.

Recommendations

[7] Governor Kathy Hochul FY2026 New York State Executive Budget Briefing Book. https://www.budget.ny.gov/pubs/archive/fy26/ex/book/briefingbook.pdf

[8] Flood Help New York. https://floodhelpny.org/en/stormwater-flooding?gad_source=1&gad_campaignid=22929919369&gbraid=0AAAAA-Z47gpAdkps8UvkY-2fpn_wgSBpP&gclid=CjwKCAjwiY_GBhBEEiwAFaghvk8vKz-85AtsIDwsrfIlhFip52fdmO5p6VsQrwxuLN4JOgsndxFlwhoCGicQAvD_BwE

Data has been collected for multi-family buildings across NYC, however transparent data is needed to track one to four family homes across the state facing the same rising cost challenges as affordable housing developers. Data transparency laws should also be set for insurance companies to regulate where, why, and when their coverage ends or increases. According to NYHC's report, HCR committed to obtaining information from state funded housing providers detailing their insurance premiums, declinations + non-renewals, and actions that affordable housing owners are taking to mitigate some of the losses giving rise to increasing insurance premiums[9]. We should take that same approach and encourage HCR to support data transparency for single to multi-family homes across New York.

Now more than ever there is a need for the state legislature to increase funding for resiliency and infrastructure upgrades which would minimize the need for insurance payouts and disaster relief. Due to federal cuts on infrastructure and community resilience projects throughout New York[10], along with the elimination of the Building Resilient Infrastructure and Communities Program, homeowners and communities across New York face challenges to upgrading their homes in the event of a severe climate related disaster. The funding cuts to these programs will impact communities facing stormwater flooding, high intensity rainfall events, coastal flooding, sea level rise, inland flood hazards, and more.

In addition, the Center supports the Insuring our Communities Act (S186A, A3842A) which amends New York's Community Reinvestment law to include property insurance companies. This law establishes that insurance companies are obligated to meet the insurance needs of the entire community during a time of escalating climate risks and mounting premium costs. This bill will achieve the following and more:

- Establish requirements for insurers to make community investments in disadvantaged communities, akin to the Community Reinvestment Act provisions that apply to banks.
- Mandate insurance companies licensed in New York to follow and implement science-based climate pollution reductions in their businesses and investments. This is embodied in the Paris Climate agreement and existing NYS Law (CLCPA).
- Require public disclosure by insurance companies of the rates they charge and the coverage they provide by census block. Currently no state requires this level of data disclosure from home insurers, enabling them to discriminate and raise rates with little or no scrutiny.
- Prohibits discrimination by insurers based on climate risk aka "bluelining".
- Prohibits insurers from dropping coverage for a year after a disaster.

Given the increase of climate related risks and catastrophes, we support the Insure our Communities Act and seek to promote healthy and resilient housing. We also support the legislature's efforts in doing the same.

Conclusion

Thank you for the opportunity to testify before you today. The Center for NYC Neighborhoods urges the Governor and Legislature to prioritize the continued need for transparent data on rising insurance premiums, coverage offered to New Yorkers, and discriminatory practices that might be at play. We

[9] The New York Housing Conference. The Alarming Risk of Rising Insurance Costs for Affordable Housing. March 2024. https://thenyhc.org/wp-content/uploads/2024/03/Affordable-Housing-Insurance-Policy-Brief-3.16.24-Final.pdf

[10] By the Numbers: Governor Hochul Updates New Yorkers on the Devasting Impact of Federal Cuts on Infrastructure and Community Resilience Projects Throughout New York. April 8th, 2025. https://www.governor.ny.gov/news/numbers-governor-hochul-updates-new-yorkers-devastating-impact-federal-cuts-infrastructure-and

support the expansion of programs like the Resilient Retrofits Loan Program and the creation of innovative solutions like the Insuring Our Futures Act to address the growing insurance crisis in New York. By strengthening these programs and enacting new, transformative legislation to combat discriminatory practices, support sustainable resilient homeownership, and promote housing justice, New York State can ensure equitable access to safe, resilient, affordable, and stable housing for all its residents. We look forward to working with the legislature to rise to the challenge of preserving, protecting and expanding affordable homeownership in New York.