November 17, 2025

Senate Standing Committee on Investigations and Government Operations
Senate Standing Committee on Insurance
Senate Standing Committee on Housing, Construction, and Community Development
New York State Senate
New York, NY

Re: Cost and Availability of Insurance for Residential Property

Dear Chairs Bailey, Kavanagh, and Skoufis, and distinguished members of the Committees:

Thank you for the opportunity to provide written testimony on behalf of the National Association of Insurance Commissioners (NAIC).[1] We appreciate the Senate's leadership in convening this hearing to address the cost and availability of residential property insurance in New York—a matter of growing urgency for homeowners, multifamily operators, and the broader housing market.

New York's insurance market, while resilient, is not isolated from the national and global forces reshaping property risk. The increasing frequency and severity of catastrophic weather events, movement of populations to riskier areas, inflationary pressures, and volatility in reinsurance markets are converging to challenge the affordability and accessibility of coverage across the country. These trends are not abstract; they are felt in the lived experience of consumers who face rising premiums, reduced coverage options, and, in some cases, difficulty securing insurance at all.

The NAIC's mission is to support state regulators in safeguarding consumers and ensuring stable, competitive insurance markets. In our experience, the most effective path forward is not simply to react to market disruptions, but to anticipate and mitigate risk before disaster strikes. This is why the NAIC has prioritized resilience and mitigation as the foundation of our national strategy.[2]

[1] As part of our state-based system of insurance regulation in the United States, the National Association of Insurance Commissioners (NAIC) provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard-setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. For more information, visit www.naic.org.

[2] Nat'l Ass'n of Ins. Comm'rs, National Climate Resilience Strategy for Insurance (Mar. 2024), https://content.naic.org/sites/default/files/national-climate-resilience-strategy.pdf.

Mitigation is the single most effective tool we have to reduce losses, stabilize markets, and protect communities.[3] Investments in home hardening, improved building codes, and community-level risk reduction yield measurable dividends—not only in reduced claims, but in the long-term affordability and availability of insurance. States that have embraced pre-disaster mitigation have seen tangible benefits: lower loss ratios, more robust insurer participation, and greater consumer confidence.[4] New York is well-positioned to build on these lessons, and we urge the Legislature to consider policies that incentivize and support mitigation at every level.

To empower these efforts, the NAIC has established the Catastrophe Risk Management Center of Excellence (CAT COE), which provides state regulators with advanced analytical tools, technical expertise, and independent modeling resources. [5] The CAT COE enables regulators to assess the adequacy of insurer catastrophe models, evaluate the impact of climate and weather trends, and make informed decisions about solvency and market stability. This resource is critical as we confront a risk landscape that is evolving faster than ever before.

While robust data collection and transparency remain important—efforts such as the NAIC's homeowner's market data call initiative will continue to inform our understanding of coverage gaps and affordability challenges—the path to long-term stability lies in proactive risk reduction.[6] The NAIC is committed to supporting New York and all states in advancing mitigation, strengthening regulatory oversight, and ensuring that insurance remains a reliable pillar of economic security.

In closing, we urge the Committees to prioritize policies that foster resilience, support innovation in risk management, and maintain the strong state-based regulatory framework that has served New Yorkers well. The NAIC stands ready to assist in these

[3] Nat'l Ass'n of Ins. Comm'rs, Strengthen Insurance Markets Through Disaster Mitigation (May 2025), https://content.naic.org/sites/default/files/government-affairs-fly-in-2025-mitigation-bills.pdf.

[4] See, e.g., Alabama Department of Insurance & University of Alabama Center for Risk and Insurance Research, Performance of IBHS FORTIFIED Home Construction in Hurricane Sally (May 5, 2025), https://aldoi.gov/pdf/news/performanceibhsfortifiedhomeconstructionhurricanesally.pdf; Minnesota Department of Commerce, Strengthen Minnesota Homes Grant Program (2023–2024), https://mn.gov/commerce/energy/consumer/energy-programs/strengthen-mn-homes.jsp; see also Connecticut, Kentucky, Maine, Oklahoma, and South Carolina insurance departments (each working with the NAIC to stand up wind, flood, and consumer-education resilience programs).

[5] Nat'l Ass'n of Ins. Comm'rs, Catastrophe Modeling Center of Excellence Overview (2025), https://content.naic.org/research/catastrophe-modeling-center-of-excellence.

[6] The NAIC Homeowners Market Data Call was launched in 2023 to give state regulators detailed zip-code level insights into premiums, policies, claims, and coverages helping them to monitor market trends and to address affordability and availability concerns. The Data Call delivers highly granular data, enabling regulators to pinpoint risk at the neighborhood level and gain insight into how that translates into premiums relative to coverage amounts—which allows accounting for inflation-driven increases—coverage options, and deductibles, providing a more accurate picture of market dynamics. *See* Nat'l Ass'n of Ins. Comm'rs, Homeowners Market Data Call (C) Task Force (2025), https://content.naic.org/committees/c/homeowners-market-data-call-tf.

efforts and to provide technical support, data, and expertise as you consider legislative and policy options.

Thank you for your attention to these critical issues and for your commitment to the people of New York.

Sincerely,

Jon Godfread
NAIC President
Commissioner
North Dakota Insurance and Securities Department