

November 18, 2025

Joint Public Hearing: Cost and Availability of Insurance for Residential Property

Senate Standing Committee on Insurance, Senate Standing Committee on Housing, Construction, and Community Development, and Senate Standing Committee on Investigations and Government Operations

Rachel Fee, Executive Director, New York Housing Conference

My name is Rachel Fee, Executive Director of the New York Housing Conference, a nonprofit affordable housing policy and advocacy organization. As a broad-based coalition, our mission is to advance City, State and Federal policies and funding to support the development and preservation of decent and affordable housing for *all* New Yorkers. I would like to thank Chairs Bailey, Kavanagh, and Skoufis for taking on this issue and for the opportunity to testify today.

Recent data suggests that more than half of affordable housing buildings in New York City are likely experiencing operating deficits, where rents are not covering expenses, including their skyrocketing insurance costs. Policy interventions to decrease expenses are required to prevent these buildings from defaulting on their loans with private banks and the City of New York.

Last year, New York Housing Conference released a policy brief that examined property and liability insurance data from 18 partners, covering over 130,000 units of housing in both affordable and mixed-income portfolios in New York City. We found that costs have skyrocketed and coverage has decreased, even with no losses reported or when losses decreased. This was particularly for affordable units – where premiums increased 103% between 2019 and 2023. Costs for mixed-income housing was lower but costs still increases almost 60% over three years.

Rapid increases in insurance costs are impacting both new construction underwriting, and the financial viability of existing affordable housing.

For new affordable housing developments, rising insurance costs are being absorbed by higher subsidy rates at initial underwriting – for example, a \$900 increase in annual per unit insurance costs increases subsidy by \$10,700 per unit. But as insurance rates continue to relentlessly rise, they will inevitably reduce the number of affordable housing units we can produce and impact affordability and rent levels.

In existing affordable housing, rising insurance rates impact a building's cashflow, which funds building reserves, capital repairs and makes sure they meet lending guidelines. For example, a 100-unit low-income building meeting its lending guidelines could expect roughly \$150,000 per year in positive cashflow. Our data shows costs have increased on average by \$900 per unit over the past 4 years, which would mean an increase in costs of \$90,000, decreasing cash flow by 60% and undermining the building's financial viability.

Government intervention is required to reduce this alarming cost escalation.

If left unchecked, skyrocketing insurance premiums will make rental housing even more unaffordable in New York and put affordable housing at financial risk. We are thankful that outright discrimination against affordable housing was banned last year, but that is just one piece of a very complex puzzle. Several other factors must be addressed:

1. **Affordable housing needs relief now.** New York Housing Conference strongly supports legislation introduced by Senator Bailey and Assemblymember Torres to create an Affordable Housing Insurance Relief Fund (S7939 / A7828A). This funding would help qualifying projects who have experienced rapid escalation in insurance pricing with an emergency source of funding.
2. **Lack of transparency and data** around how insurance companies are serving the New York market prevents us from understanding the full scope of the problem. Without any reporting, we are left to rely on analyses of individual portfolios and anecdotal evidence. If we are to succeed in addressing this problem, it's vital that we receive accurate data at scale on cost of coverage, what geographies are served, how costs are connected to losses and how rates for subsidized affordable housing compare to market rate housing. We strongly support two bills recently announced by Assemblymember Torres to increase transparency and accountability:
 - a. **A9016 - Require Annual Reporting on Critical Insurance Data for Affordable Housing.** This bill would require the Department of Financial Services (DFS) and Homes and Community Renewal (HCR) to release a yearly report on premiums, non-renewals and other denials, excess line-placements, exclusions, deductibles and claims for multifamily affordable housing, including statewide and regional data, so policymakers and the public can see how insurance costs affect housing affordability.
 - b. **A9015 - Create an Affordable Housing Task Force.** This bill would create a Statewide Housing Insurance Task Force led by DFS and HCR with insurers, reinsurers and housing stakeholders all at the table. The task force will assess market conditions, collect data, hold public sessions, publish collected data and issue reports with recommendations to improve availability, pricing and fairness in the insurance market.
3. **Too few insurers are serving the market:** Partners have told us that there are fewer insurers that are willing to provide coverage for multifamily housing in New York City, and in The Bronx in particular. For example, while DFS supervises more than 1,100 regulated entities, several affordable housing providers told us that only 3 companies will write insurance policies in the Bronx. With fewer carriers, those that will give coverage have more market power and can charge higher prices and provide less coverage.
 - a. New York Housing Conference encourages the Legislature to explore ways to increase competition in the market. Whether that is requiring market participation like CRA's affirmative obligation for the banking sector; or incentivizing it through a risk-share model that reduces the exposure of private insurers; or addressing insurance industry calls for tort reform to reduce exposure.
4. **If the private market is unwilling and/or unable to provide reasonably priced coverage for affordable housing, the State must be prepared to step in with financial backing:** With broad participation from affordable housing owners, the state should think about new programs at scale including public financing of the Milford Street affordable housing insurance captive. The State can offer lower rates by helping to scaling up this cooperative insurance model.

5. **New York's liability environment:** Multiple partners have shared that escalating litigation costs and large jury awards, in addition to New York's scaffold law which assigns absolute liability to owners in gravity-related injuries contribute to rising costs.
 - a. NYHC supports an exemption from the absolute liability standard in the scaffold law broadly and supports an immediate exemption for affordable housing with regulatory agreements from a city or state housing agency.
 - b. NYHC supports a mandate to disclose third-party litigation funding (TPLF) to courts and opposing parties in lawsuits. While groups have cited the increased prevalence of TPLF, its scope and impact remain obscured from policy discussions due to lack of disclosure requirements.
6. **Risk Mitigation Investment and Discounts:** Our changing climate is causing more frequent, more powerful, and less predictable storms, which can cause damage to property. This issue affects different regions in different ways and impacts insurers' approach to pricing. Importantly, partners have reported that it is not clear what mitigation measures would reduce their premiums, and they have still seen increases even after pursuing such strategies.
 - a. NYHC supports a dedicated funding stream for risk mitigation paired with a mandate for premium relief. New York's insurance law already outlines mitigation measures that housing owners can implement which may result in the DFS Superintendent mandating actuarially-supported reductions in costs. These are primarily in the single-family home realm. DFS should expand these measures to include more options for multifamily housing such as installation of security cameras, fire stops, water gauges, and other measures which should be funded through State housing programs to help affordable owners make upgrades.
 - b. Negotiated discounts should also apply to public infrastructure investments. For example, [NYC's porous paving](#) initiative will prevent residential flooding in targeted areas and a value for this risk reduction should be captured in premium reductions.

Thank you again for the opportunity to submit this testimony.