



First, I would like to thank Senator Baskin and Assemblymember Stirpe, the honorable chairs of the economic development committees in both houses, for the opportunity to submit our testimony.

I represent the Associated Builders & Contractors, Empire State Chapter (ABC), a construction trade association representing more than 450 open-shop contractors that employ tens of thousands of workers across New York State. ABC promotes fair and open competition and provides advocacy, education, and world-class safety services to our members. We are also proud to operate one of the state's largest multiple-employer apprenticeship programs, offering training in ten skilled trades.

We commend Governor Hochul for taking steps to address the rampant auto insurance fraud and staged injuries that cost New Yorkers billions each year. As the Governor has noted, New Yorkers pay some of the highest car insurance rates in the nation—averaging just over \$4,000 annually, nearly \$1,500 above the national average. These rates are driven by fraud, excessive litigation, legal loopholes, and enforcement gaps, with staged crashes alone inflating premiums by as much as \$300 per year, according to some estimates.

The data underscores the urgency of reform. In 2023, there were 1,729 staged crashes reported in New York, the second-highest total in the nation. In 2025, insurance carriers reported 43,811 incidents of suspected motor vehicle insurance fraud to the Department of Financial Services Insurance Frauds Bureau, up from 24,238 incidents in 2020, representing an 80 percent increase in just five years.

This level of fraud affects every New Yorker. While reform will bring relief to individual drivers, it will also significantly benefit communities, school districts, and businesses across the state. Local governments, school districts, and small businesses that operate vehicle fleets will see meaningful savings. Rather than diverting resources to defend against baseless lawsuits, they can reinvest those funds into infrastructure, education, and services that improve quality of life.

Approximately 90 percent of goods consumed daily in New York are delivered by truck. When insurance costs decline, delivery costs can also stabilize, reducing financial risk for businesses and ultimately lowering costs for consumers—an especially important consideration as families and employers continue to navigate broader economic pressures.

While we are hopeful these reforms will curb auto insurance fraud, additional cost drivers must also be addressed. Workers' compensation fraud remains a significant burden in the construction industry. Compounding this challenge is New York's Scaffold Law (Labor Law 240), which imposes absolute liability on employers, property owners, and contractors for gravity-related injuries, regardless of worker negligence.



New York is the only state in the nation that still enforces this statute. Studies estimate that the Scaffold Law costs taxpayers more than \$1 billion annually. Reforming this law would reduce excessive liability costs and insurance premiums, freeing up billions of dollars for development, infrastructure investment, and job creation.

We were also encouraged to see proposed reforms to the State Environmental Quality Review Act (SEQRA). SEQRA requires state and local agencies to assess the environmental impacts of discretionary actions, including major development projects, before they can proceed—often adding significant time and cost to project approvals. ABC strongly supports environmental protections, but there must be balance. SEQRA should not serve as a barrier that delays or derails critical projects, particularly the housing developments New Yorkers urgently need.

Governor Hochul’s “Let Them Build” proposal would modernize SEQRA by creating targeted exemptions for housing and other low-impact projects, while standardizing and streamlining review timelines. These changes would allow projects that do not pose significant environmental harm to move forward more efficiently and with greater certainty.

Regardless of its original intent, SEQRA in its current form has contributed to delays and cost overruns across the state. Sensible reform will help builders complete projects on time and on budget, maximize taxpayer value, and provide much-needed relief for those working to deliver affordable housing.

The Governor and Legislature have a meaningful opportunity to enact reforms that will create and sustain jobs and make New York more affordable. Without these changes, we risk continued deterioration of critical housing stock, escalating costs, and the loss of residents and businesses to other states.

Thank you for your time and consideration. ABC looks forward to working with you to advance policies that strengthen New York’s construction industry and support a more competitive and sustainable future for all New Yorkers.

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