



LEGISLATIVE POSITION PAPER

— 2025 SESSION —



Founded in 1882, Big I New York is the oldest and largest producer association in New York State.

We represent

Over 1,450
independent insurance agency locations in the State of New York, comprising more than

13,000
individuals who sell and service the personal and business insurance needs of consumers

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The insurance industry has been an important component of the New York economy for decades with its economic significance growing steadily each year. It is imperative that New York maintain a stable and healthy insurance market.

Over the 5-year period 2016 - 2020, New York's property & casualty industry generated an estimated **\$202.9 billion** in economic impacts and supported more than **152,000 jobs** annually across the state. New York's property & casualty industry produced an estimated **\$5.4 billion** in state and local collections. (Ernest Goss, Ph.D., 2017)

Our members are uniquely positioned as an integral part of their communities to assist on a broad range of economic development, tax, insurance, and other business issues that impact the consumers in New York. At every step in the insurance journey, independent agents and brokers are advocates for their customers.

meet **THE TEAM**



TRAVIS WATTIE,
MPA, CPCU
AVP of
Government Relations



LISA LOUNSBURY,
CAE, AAI, AIS
President & CEO



**DAVID
BODENSTEIN**
Chair of the Board

GRASSROOTS & MEMBER Engagement

Big I NY members are passionate and powerful advocates for their businesses and customers. In 2024, member agents played a crucial role in advancing beneficial legislation and were decisive in blocking harmful proposals. Members met with state lawmakers in Albany at our "Day on the Hill" and traveled to Washington D.C. to lobby Members of Congress at our annual Legislative Conference. Local Big I chapters hosted legislative breakfasts in Syracuse and Buffalo, as well as political fundraisers for our Independent Agents Political Action Committee (IAPAC).

As the market continued to deteriorate during the year, we regularly met with the state's top insurance regulator to urge action to stabilize the market and speed new rate and product filings.

The "Group of 100" (G100) was instrumental in supporting our legislative and political campaigns. This select group of member agents is composed of our most engaged volunteers, charged with advancing our legislative goals by building strong relationships with local lawmakers, engaging in legislative and political advocacy, and raising funds for our political action committees.

To submit an application to join the G100, visit biginy.org/G100 or email Travis Wattie at tswattie@biginy.org.

Our members are champions for independent agencies and their customers across the state. Big I NY agents are crucial to our legislative success.



G100
GROUP OF ONE HUNDRED

 **Trusted Choice**
INDEPENDENT INSURANCE AGENTS

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LEGISLATIVE Accomplishments

Thanks to the tireless work of our legislative team, ongoing support from member agents, and cooperative effort from the Legislature, Big I New York has been successful in achieving critical changes needed to support our industry and customers.

Wrongful Death Expansion Bill Vetoed:

Big I NY and a broad coalition of business, healthcare, municipal, and insurance groups opposed A.9232B, a sweeping expansion of the state's wrongful death statute. The bill would have driven double-digit premium increases and added significant costs to taxpayers and municipalities. Hundreds of Big I NY members weighed in to oppose this bill, which was vetoed by Gov. Hochul for the third time.

Non-Compete Ban Bill Blocked:

Big I NY strongly opposed sweeping legislation banning the use of non-compete agreements and was successful in stopping the bill. Such agreements are an important insurance industry tool that helps protect an agency's valuable book of business.

Supplemental Spousal Liability Reform Passed:

Thanks to the advocacy efforts of the Big I NY legislative team and members, Governor Hochul signed into law A.9407-A, which exempts unmarried drivers and commercial policies from automatic enrollment. Married drivers will still need to opt-out if they do not want the additional coverage.

Big I NY drove conversations with lawmakers around the customer confusion and time burden of the original SSL opt-out requirement and engaged members in multiple grassroots calls to action urging both the State Legislature and Governor to quickly remedy the issue.

Windstorm Trigger Uniformity Passed:

Governor Hochul also approved A.2866, which directs the superintendent of the New York State Department of Financial Services (DFS) to "establish standards for windstorm deductibles, which create, to the greatest extent possible, uniformity in the operation of such deductibles with respect to the triggering event."

The new law requires the DFS to issue and adopt regulations regarding how triggering events are defined. Currently, carriers utilize a variety of triggers and language, which can create confusion for consumers as they compare coverage options. Big I NY will continue to contribute to this important conversation throughout the regulatory rule-making process by supporting consumer clarity, choice, and competition.

Unfair and Deceptive Acts and Practices Bill Stopped:

A.7198/S.795 sought to expand the scope of prohibited business practices to allow private lawsuits for even the most minor of perceived violations. The bill would have generated a wave of abusive litigation against businesses. Big I NY members delivered hundreds of emails and phone calls to their lawmakers to favorably amend the bill in the Senate and stop it altogether in the Assembly.





Make the Auto Photo Inspection Requirement Waiver Permanent

Section 3411 of the Insurance Law requires that all motor vehicles must be inspected before comprehensive or collision coverage can be provided. The inspection requires a photo inspection to be conducted by the agent, broker, or third-party vendor. This provision was important when first implemented over a quarter century ago, but new fraud-fighting tools have rendered obsolete. Insurance companies no longer rely on these inspections and the reports are rarely, if ever, used. Furthermore, the requirement is inconvenient for policy holders who must bring their vehicle to a location for the photos and a burden and expense on the agent or broker who must take the photo. When a third party is used, there is an additional cost to the insurer associated with the report. The cost of these mandatory inspection reports is passed on to drivers in the form of higher premiums and can lead to a driver inadvertently losing physical coverage if the inspection is not completed within 14 days.

Action Needed: Big I New York secured the passage of a new law to allow carriers to waive these inspections from May 15th, 2024 until October 1st, 2027. We support making this law permanent.

Ensure Drivers Are Adequately Protected by Increasing Minimum Auto Insurance Limits

New York's current minimum limits of \$25,000 bodily injury per person/ \$50,000 bodily injury per accident and \$10,000 property damage per accident have not been raised in a quarter century, and are now woefully inadequate. The limits have not kept pace with significant increases in the cost of medical care and vehicle repair. Insufficient coverage can often leave victims of a car accident on the hook for their own medical costs and repair bills once the at-fault driver's low coverage is exhausted.

Action Needed: Big I NY supports better protecting New York drivers by raising the minimum limits to \$50,000/\$100,000 bodily injury and \$50,000 property damage.

Auto Insurance Verification Modernization:

The Insurance Information and Enforcement System (IIES) is designed to confirm that registered vehicles also carry required insurance coverages. Unfortunately, the 25-year old IIES is prone to errors that can result in vehicle registration and license suspensions, impounded vehicles, fines, and even arrest.

Action Needed: Big I New York supports legislation authorizing the Department of Motor Vehicles to update their systems to an online insurance verification model that will reduce insurance verification reporting errors.





WORKERS COMPENSATION

Reduce Burdens on Small Businesses by Indexing the Payroll Threshold for the Workplace Safety and Loss Prevention Program

The Workplace Safety and Loss Prevention Program is required for all employers with annual payroll in excess of \$800,000 and whose most recent experience rating exceeds the level of 1.2. Employers who meet these criteria undergo a Workplace Safety and Loss Prevention Consultation and evaluation. Employers must pay a consultation fee, which, if conducted by the Department of Labor, is \$350 a day. Any remedial action recommended by the consultant must be implemented by the employer within six months.

The program was created in 1997, and over the last 25 years, payrolls have increased substantially. The law was originally intended to apply to larger employers, but is now capturing smaller ones because the payroll threshold has not been adjusted. While Big I New York supports compulsory safety and loss prevention programs, the \$800,000 payroll threshold needs to be adjusted to reflect today's payroll costs. Based upon the Employment Cost Index published by the U.S. Bureau of Labor Statistics, a payroll threshold of \$800,000 in 1997 would equate today to approximately \$1.2 million.

Action Needed: Big I New York supports legislation to raise the payroll threshold and allow for annual adjustments based on the Employment Cost Index.

Make it Easier for Businesses to Obtain the Best Coverage by Eliminating the 30-Day Notice of Withdrawal Requirement

The New York State Insurance Fund (NYSIF) is the state's largest writer of Workers Compensation policies. Currently, policyholders must provide the NYSIF with 30 days of advance written notice before canceling a policy. This requirement makes it difficult for small businesses to obtain more competitive coverage and should be repealed to level the playing field in the Workers Compensation market as private carriers do not have this advantage.

Action Needed: Big I NY supports the elimination of the 30-day notice requirement.



TORT LIABILITY

Protect Businesses from Lawsuit Abuse Resulting from Lawsuits for “Unfair, Deceptive, and Abusive” Business Practices

Past legislatures have proposed unprecedented and sweeping expansions of the General Business Law to prohibit broadly and subjectively defined “unfair,” “deceptive,” or “abusive” acts; expand the private right of action to include an organization, business, or any other group of individuals otherwise organized; provide attorneys’ fees and statutory damages of \$2,000 per offense in addition to actual damages; authorize private class action lawsuits for violations of the statute; and permit lawsuits even where there is no underlying consumer-oriented or public impact. These proposals would cause serious harm to independent insurance agencies, brokerages, producers, and the customers they serve. The expansive and subjective nature of what constitutes prohibited acts, coupled with guaranteed minimum damages, tips the playing field perilously and creates powerful incentives for insurers and businesses to settle lawsuits, even if the underlying claims are dubious. This would harm businesses directly through higher litigation risk and compliance costs, as well as driving up the cost of commercial coverage.

Action Needed: Big I New York opposes a sweeping private right of action for “Unfair, Deceptive, and Abusive” business practices.

Oppose a Costly Expansion of the Wrongful Death Statute:

For the past three years, lawmakers have passed legislation that allows for subjective “pain and suffering” damages, substantially expands who would be eligible to receive awards, and retroactively lengthens the statute of limitations for filing wrongful death lawsuits. These efforts would make New York’s wrongful death laws the most generous in the nation, and solidify our position as the national leader in tort costs and lawsuit abuse.

Actuarial studies estimate the bill would increase premiums by \$2.2 billion annually. This would be a major shock to the state’s insurance market, which is already showing grave signs of instability. The impact on policyholders would be dramatic.

Action Needed: Big I New York remains opposed to this broad expansion of the wrongful death statute.





Protect Consumer Choice in Health Insurance

The New York State Legislature continues to consider the enactment of a single payer health system, which would ban most private health insurance. We believe a government-run single payer system would be prohibitively expensive, reduce consumer choice, and disrupt other insurance coverage, including existing Medicare coverage for seniors and employer-sponsored health insurance coverage. We will continue to work cooperatively with the industry and policymakers to build upon the current strengths in the system and maintain a competitive and vibrant marketplace that will provide quality coverage at an affordable price. We are also supportive of measures that will bring down the high costs of health care.

Action Needed: Big I New York opposes legislation to create a single payer health system in New York.

HEALTH INSURANCE



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Streamline the Commercial Property Insurance Process by Eliminating the Anti-Arson Application

Section 3403 of the Insurance Law requires the completion of the “anti-arson application” for people seeking property insurance for fire or explosion. If a policyholder fails to complete this form, which is required upon initial application for insurance and on each subsequent renewal of the policy, the insurer must cancel the policy. Since technology has advanced the application has outlived its usefulness. Insurance companies today are required by law to have fraud prevention plans, which are filed with the State, on how they detect, investigate, and prevent fraudulent activities. These plans are far more effective than the anti-arson application form which simply asks a series of questions. The law is a paperwork burden for policyholders who risk losing coverage if the form is not completed. This requirement has been eliminated in the cities of Buffalo and Rochester.

Action Needed: Big I New York supports the statewide elimination of the anti-arson application.

Ensure the Continued Availability of Affordable Rental Property Coverage by Preserving Lead Paint Exposure Exclusions

Pending legislation would prohibit admitted insurers from excluding coverage for losses due to lead paint exposure from rental property liability coverage. This proposal would have serious unintended consequences that would harm the very people it aims to help. The bill creates a disincentive for landlords to provide safe living environments for tenants by transferring their lead paint risk to insurers rather than remediating the problem altogether. It is also difficult to prove where an exposure occurred. If insurers are required to cover such claims, they will likely raise premiums and/or exit the admitted market. The corresponding increase in cost and reduced access to residential property coverage will be passed along to renters – those who are often least able to afford increases in the cost of living.

Action Needed: Big I NY opposes legislation to ban the use of lead paint coverage exclusions.

Staged Construction Accidents

In what's yet another chapter in the "Fraudemic" playbook, sophisticated criminal enterprises are staging construction site accidents and then cashing in on insurance payouts. In 2019, the Legislature made it a crime to stage auto accidents after 71-year old Alice Ross was tragically killed as a result.

Action Needed: Big I NY supports criminal penalties for staging a construction accident.





Make it Easier to Obtain the Most Appropriate Coverage by Reforming the “Diligent Effort” Requirement

New York’s excess line market is critical to providing insurance for risks that are not underwritten by admitted carriers – such as those which are unique, volatile, or lack loss history. Current law requires brokers to obtain three declinations from admitted carriers before an excess line policy can be obtained, and a detailed affidavit must be filed for each declination. New York is one of only ten states that require the filing of declination information.

The current system is burdensome and time consuming, and can lead to delays that are detrimental to prospective policyholders.

Action Needed: Big I NY supports legislation to exempt commercial lines insurance transactions placed by wholesale insurance brokers from the requirement to obtain three separate declinations.

EXCESS LINES ISSUES





Transparency in Underwriting

As the use of AI and algorithms become increasingly widespread, transparency in underwriting is crucial for fostering a fair and informed insurance environment. Clear and comprehensible communication about the reasons for material changes to premiums or coverage is needed to ensure that policyholders understand the factors influencing adjustments in premiums, such as changes in personal circumstances or market conditions. This transparency not only builds trust between insurers and policyholders but also promotes accountability within the industry. When consumers can easily comprehend the rationale behind alterations in their coverage or costs, they are better equipped to make sound financial decisions and plan for their future.

Action Needed: Big I NY is supportive of efforts to improve transparency in underwriting.

Addressing DFS Regulatory Efficiency and Effectiveness

Like many organizations, the NYS Department of Financial Services (DFS) has encountered challenges with hiring qualified employees to perform essential work. Unlike private entities, the DFS cannot hire outside consultants to address staffing challenges without legislative authority.

Action Needed: Big I NY encourages thoughtful and innovative solutions, such as hiring outside consultants, to help the DFS meet their mission.

Telemarketing During a State of Emergency

A 2019 law prohibiting unsolicited telemarketing during a state of emergency has unintentionally resulted in a continuous ban on such calls due to the state being under a variety of such emergency declarations since 2020. The law, which was meant to temporarily restrict sales calls in the aftermath of disasters such as a severe storm, has instead restricted the ability to communicate to former and potential customers on important topics such as life insurance and opportunities to save money on auto and homeowners insurance.

Action Needed: Big I NY supports amending the law to limit the ban to the days and weeks following a disaster declaration, pursuant to the Governor's assessment of the need to keep phone lines clear to facilitate disaster response.





Single Producer License

New York is one of the few states that issue separate licenses for insurance agents and brokers. When New York adopted the National Association of Insurance Commissioners (NAIC) Producer Licensing Model Act, it did not include the model's single definition of "insurance producer." Instead, New York continued requiring separate "agent" and "broker" licenses. The purpose of the model is to simplify the licensing process, improve efficiency, and reduce costs associated with issuing and renewing insurance licenses. Unfortunately, while virtually every other state that adopted the model moved to a single definition, New York rejected this key element. The distinction in New York creates confusion as to which license and individual or agency should hold and is an unnecessary and costly regulatory burden on small independent agents.

Action Needed: To eliminate the unnecessary confusion and bring New York into alignment with its peer states, Big I NY supports legislation creating a single insurance producer's license.

INSURANCE MODERNIZATION

