STATE OF NEW YORK

3842

2025-2026 Regular Sessions

IN ASSEMBLY

January 30, 2025

Introduced by M. of A. FORREST -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law and the financial services law, in relation to establishing the insuring our future act

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The insurance law is amended by adding a new article 92 to read as follows:

ARTICLE 92
INSURING OUR FUTURE ACT

§ 9201. Short title. This article shall be known and may be cited as the "insuring our future act".

§ 9202. Definitions. In this article, unless the context or subject matter otherwise requires:

(a) "New fossil fuel project" means a project designed to facilitate the production of fossil fuels in excess of what is in development as of the effective date of this article, including production of new coal infrastructure, power plants, or mines. "New fossil fuel project" also includes projects that would support exploring new oil and gas fields or otherwise expanding oil and gas reserves. Examples of such projects include, but are not limited to, new wells, pipelines, terminals or gas power plants.

(b) "Department" means the department of financial services.

(c) "Superintendent" means the superintendent of the department of financial services.

EXPLANATION--Matter in **italics** (underscored) is new; matter in brackets [-] is old law to be omitted.

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(d) "Precautionary principle" means an approach taken to regulation which mandates that when activities under consideration may lead to unacceptably serious or irreversible harm that is scientifically plausible but uncertain, actions shall be taken to avoid or diminish that harm.

(e) "Guidance" means the department guidance for New York domestic insurers on managing the financial risks from climate change issued by the department of financial services.

§ 9203. Implementing climate leadership and community protection act targets for insurers. (a) The department shall:

(1) Integrate the precautionary principle into its regulation and supervision of insurers by:

(A) incorporating measures to anticipate, prevent, or minimize the effects of climate risk and its adverse effects; and

(B) implementing cost-effective measures to address the climate risk exposure of insurers, even in the absence of full economic or scientific certainty;

(2) Align insurer investment and underwriting activities with science-based climate mitigation targets consistent with the emissions limits set in section 75-0107 of the environmental conservation law by prohibiting underwriting for any new fossil fuel project and directing insurers to phase out existing underwriting for exploration, extraction, processing, exporting, transporting, and any other significant action with respect to oil, natural gas, coal, or any byproduct thereof; and

(3) Develop a process for insurance companies to certify as a condition of licensure that they meet certain criteria related to their investment and underwriting activity, and to review their certification.

(b) Within twelve months of the effective date of this article, the superintendent shall develop and implement criteria for certain insurers doing business in this state, as determined by the superintendent pursuant to subsection (f) of this section, to submit annually to the superintendent a report disclosing:

(1) Such insurer's investments in:

(A) any company that derives ten percent or more of revenue from exploration, extraction, processing, exporting, transporting, and any other significant action with respect to oil, natural gas, coal, or any byproduct thereof;

(B) any project intended to facilitate or expand exploration, extraction, processing, exporting, transporting, and any other significant action with respect to oil, natural gas, coal, or any byproduct thereof; and

(C) any project intended to construct any infrastructure related to projects under subparagraph (B) of this paragraph, such as wells, pipelines, terminals or refineries;

(2) The financed emissions from all of the insurer's investments in the previous reporting year;

(3) Information concerning such insurer's gross premium underwriting for:

(A) any company that derives ten percent or more of revenue from exploration, extraction, processing, exporting, transporting, and any other significant action with respect to oil, natural gas, coal, or any byproduct thereof;

(B) any project intended to facilitate or expand exploration, extraction, processing, exporting, transporting, and any other significant action with respect to oil, natural gas, coal, or any byproduct thereof; and

(C) any project intended to construct any infrastructure related projects under subparagraph (B) of this paragraph, such as wells, pipelines, terminals or refineries;

(4) The insured emissions from all of the insurer's underwriting in the previous reporting year;

(5) Aggregated data on homeowners and renters premiums, claims, deductibles and overall insurance exposures, at a census-tract level, in a manner that does not risk public disclosure of personally identifiable information of policyholders; and

(6) Any other information the department deems necessary to effectively implement and enforce any rule or regulation promulgated pursuant to this article.

(c) The criteria developed by the superintendent pursuant to subsection (b) of this section shall enable the superintendent to post the information reported to the superintendent pursuant to subsection (d) of this section on the department's website.

(d) Within twelve months of the effective date of this article, and annually thereafter, such insurers doing business in this state, as determined by the superintendent subject to subsection (f) of this section, shall submit a report to the superintendent disclosing the information set forth in subsection (b) of this section for the preceding calendar year.

(e) Within three months of receiving the report required pursuant to subsection (b) of this section, and annually thereafter, the superintendent shall compile and post the information in such report on the department's website.

(f) The superintendent may engage the services of attorneys, actuaries, accountants and other experts not otherwise a part of the superintendent's staff, at the reporting insurer's expense, as shall be reasonably necessary to assist in the review of such insurer's filing under subsection (c) of this section. All persons so engaged shall be under the direction and control of the superintendent and shall act in a purely advisory capacity.

(g) The superintendent shall subject an insurer to the requirements of this section if:

(1) The insurer reports over one hundred million dollars on its annual schedule T filing with the National Association of Insurance Superintendents; or

(2) The insurer's activities or investments may expose such insurer to a heightened level of risk from the physical or transition effects of climate change; or

(3) The superintendent otherwise determines that disclosure would be in the public interest.

(h) The superintendent shall review and update the guidance at least once every two years and shall update the guidance to reflect developments elsewhere in the world, with the intent of incorporating emerging best practices and ensuring the smooth functioning of New York insurance markets.

(i) The superintendent may adopt such regulations as the superintendent deems necessary to carry out the purposes of this article.

(j) The superintendent shall develop a process for foreign insurance companies to certify as a condition of licensure that they meet certain criteria related to their investment and underwriting activity, and to review their certification.

(k) Within five years of the effective date of this article, the superintendent shall require any insurer doing business in the state to certify that they have divested from:

(1) any company that derives ten percent or more of revenue from exploration, extraction, processing, exporting, transporting, and any other significant action with respect to oil, natural gas, coal, or any byproduct thereof;

(2) any project intended to facilitate or expand exploration, extraction, processing, exporting, transporting, and any other significant action with respect to oil, natural gas, coal, or any byproduct thereof; and

(3) any project intended to construct any infrastructure related to projects under paragraph two of this subsection, such as wells, pipelines, terminals or refineries.

§ 9204. Reporting. (a) Within twelve months of the effective date of this article, and once every two years thereafter, the superintendent shall submit a report to the legislature and the governor. The report shall also be made available to the public and posted on the department's website. The report shall disclose, for the preceding two calendar years, the department's:

(1) Efforts to implement the provisions of section nine thousand two hundred three of this article;

(2) Regulatory and supervisory actions taken, if any, to bolster the resilience of insurers to the physical impacts of climate change;

(3) Regulatory and supervisory actions planned, if any, to bolster the resilience of insurers to the physical impacts of climate change;

(4) The effects, if any, that the insurers' efforts to address climate risk have had on the affordability and availability of insurance for low income communities, communities of color and other traditionally underserved communities in the state, including communities vulnerable to bluelining as defined in paragraph fifty-six of subsection (a) of section one hundred seven of this chapter.

(b) Such report shall also summarize available information regarding:

(1) insurer and insurance market readiness for climate change and the energy transition;

(2) major sources of climate risk faced by New York insurers;

(3) any gaps related to climate risk that the department intends to address; and

(4) any legislative action that must be taken in order to allow the department to address climate risk.

§ 2. Subsections (k) and (l) of section 102 of the financial services law are amended and a new subsection (m) is added to read as follows:

(k) To promote the reduction and elimination of fraud, criminal abuse and unethical conduct by, and with respect to, banking, insurance and other financial services institutions and their customers; [~~and~~]

(l) To educate and protect users of banking, insurance, and financial services products and services through the provision of timely and understandable information[~~.~~]; and

(m) To identify, supervise, regulate and manage exposure to risk in New York's banking, insurance and financial services industries, including risks related to climate change.

§ 3. Subsection (a) of section 107 of the insurance law is amended by adding a new paragraph 56 to read as follows:

(56) "Community vulnerable to bluelining" means a census tract that meets the following:

(A) qualifies as a low-to-moderate income community under the criteria of the state's community reinvestment act or under the criteria defined in section two thousand three hundred fifty-five of this chapter or qualifies as a disadvantaged community as defined in section 75-0101 of the environmental conservation law and qualifies as a high climate risk community based either on the federal emergency management agency's risk index or other criteria defined in section two thousand three hundred fifty-five of this chapter; or

(B) qualifies based on other criteria developed by the department pursuant to section two thousand three hundred fifty-five of this chapter.

§ 4. The insurance law is amended by adding two new sections 2354 and 2355 to read as follows:

§ 2354. Protecting communities from bluelining. (a) The superintendent shall have the authority to place a moratorium on non-renewals in underserved communities that have been affected by a climate disaster in the last year.

(b) No insurer shall refuse to issue or renew or shall cancel a policy of property and casualty insurance based solely on the insured residing in an area that is designated as a community vulnerable to bluelining pursuant to paragraph fifty-six of subsection (a) of section one hundred seven or section two thousand three hundred fifty-five of this chapter. Such prohibition shall not preclude an insurer from refusing to issue or renew or from canceling such policies based on sound underwriting and actuarial principles reasonably related to actual or anticipated loss experience subject to the applicable provisions of this section and of section three thousand four hundred twenty-five of this chapter.

(c) No insurer shall refuse to issue or renew or shall cancel a policy of property and casualty insurance based solely on the insured's source of income, including the use of housing vouchers.

§ 2355. Identification of communities vulnerable to bluelining. (a) In addition to those communities which qualify as communities vulnerable to bluelining pursuant to paragraph fifty-six of subsection (a) of section one hundred seven of this chapter, the department shall establish criteria and a process to identify new communities vulnerable to bluelining.

(1) Such criteria shall identify communities vulnerable to bluelining based on geographic, public health, environmental hazard, and socioeconomic criteria, which shall include, but are not limited to:

(A) areas burdened by cumulative environmental pollution and other hazards that can lead to negative public health effects;

(B) areas with concentrations of people that are of low income, high unemployment, high rent burden, low levels of home ownership, low levels of educational attainment, or members of groups that have historically experienced discrimination on the basis of race or ethnicity;

(C) areas vulnerable to the impacts of climate change such as flooding, storm surges, and urban heat island effects; and

(D) any additional criteria that the department may identify.

(2) Before finalizing the criteria for identifying communities vulnerable to bluelining pursuant to paragraph one of this subsection, the department shall publish draft criteria and a draft list of communities vulnerable to bluelining and make such information available on its website.

(b) The department shall annually review the criteria, process, and methods used to identify communities vulnerable to bluelining and shall modify such methods to incorporate new data and scientific findings.

(c) The department shall regularly review the identities of communities vulnerable to bluelining and modify such identities as needed.

§ 5. Subsection (d) of section 3425 of the insurance law is amended by adding a new paragraph 4 to read as follows:

(4) With respect to cancellation of policies in communities vulnerable to bluelining pursuant to paragraph fifty-six of subsection (a) of section one hundred seven or section two thousand three hundred fifty-five of this chapter, in addition to the requirements contained in paragraph one of this subsection, unless the insurer, at least one year in advance of the end of the policy period, mails or delivers to the named insured, at the address shown in the policy, a written notice of its intention not to renew a covered policy, or to condition its renewal upon change of limits or elimination of any coverages, the named insured shall be entitled to renew the policy upon timely payment of the premium billed to the insured for the renewal.

§ 6. The insurance law is amended by adding a new section 215 to read as follows:

§ 215. Rating and affordability improvement study. (a) The department shall conduct a study on methods for keeping property and casualty insurance lines affordable for communities vulnerable to bluelining, including the consideration of homeowner mitigation in premium discounts and non-renewal and cancellations decisions, assistance programs for low-income policyholders similar to those proposed for the national flood insurance program, and a tax on homeowners insurance lines that declines into a rebate based on income.

(b) Within twelve months of the effective date of this section, the department shall issue a report on their findings which shall provide recommendations for regulatory and legislative actions relating to affordable insurance lines in communities vulnerable to bluelining.

§ 7. This act shall take effect immediately.