

STATE OF NEW YORK

9646--A

IN ASSEMBLY

January 21, 2026

Introduced by M. of A. HEVESI, KAY, TAYLOR, BEEPHAN, WIEDER, CRUZ, SIMON, WEPRIN, HUNTER, ROSENTHAL, DAVILA, LUNSFORD, GRIFFIN -- read once and referred to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to participation in assigned risk plans by voluntary foster care agencies (Part A); to amend the social services law, in relation to requiring the office of children and family services to establish standards of payment for liability insurance costs that ensures the maximum state aid rate accurately reflect the year over year increased costs for voluntary foster care agencies (Part B); and to amend the state finance law and the social services law, in relation to establishing the voluntary foster care agency insurance bridge fund and establishing a process for the distribution of moneys in such fund (Part C)

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

1 Section 1. This act enacts into law components of legislation relating
2 to liability insurance for voluntary foster care agencies. Each compo-
3 nent is wholly contained within a Part identified as Parts A through C.
4 The effective date for each particular provision contained within such
5 Part as set forth in the last section of such Part. Any provision in any
6 section contained within a Part, including the effective date of the
7 Part, which makes a reference to a section "of this act", when used in
8 connection with that particular component, shall be deemed to mean and
9 refer to the corresponding section of the Part in which it is found.
10 Section four of this act sets forth the general effective date of this
11 act.

12 PART A

13 Section 1. The insurance law is amended by adding a new article 35 to
14 read as follows:

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

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ARTICLE 35

ASSIGNED RISK PLANS; VOLUNTARY FOSTER CARE AGENCIES

Section 3501. Participation in assigned risk plans.

3502. Administration.

3503. Coverage.

§ 3501. Participation in assigned risk plans. (a) All authorized insurers licensed to write commercial risk insurance in this state shall subscribe to and participate in the reasonable plan or plans, created and administered, by the superintendent, in consultation with the commissioner of the office of children and family services, for equitable apportionment among such insurers of applicants.

(b) Applicants of a reasonable plan or plans under this section shall include authorized agencies as defined in subdivision ten of section three hundred seventy-one of the social services law, also known as voluntary foster care agencies.

§ 3502. Administration. The superintendent, in consultation with the commissioner of the office of children and family services shall administer the reasonable plan or plans established under this article. The superintendent shall establish for the benefit of applicants, standards of service of participating insurers including timely issuance of policies, certificates and endorsements, financial security forms, and the collection of required deposits. The superintendent shall also establish the application process for applicants to apply for and receive coverage under the reasonable plan or plans.

§ 3503. Coverage. (a) Any such plan established pursuant to this article shall meet the minimum general liability insurance coverage requirements required in contracts by counties and shall provide for availability to applicants for:

- (1) professional liability coverage; and
- (2) sexual abuse and molestation coverage.

(b) Such plan or plans shall provide for the method of classifying risks, establishing territories and making rates applicable thereto. Such rates shall be based upon loss and expense experience of the risks insured pursuant to the plan or plans.

§ 2. This act shall take effect immediately.

PART B

Section 1. Section 398-a of the social services law is amended by adding a new subdivision 7 to read as follows:

(7) (a) The office of children and family services shall establish standards of payment for liability insurance costs that ensures the maximum state aid rate accurately reflect the year over year increased costs for voluntary foster care agencies. Beginning July first, two thousand twenty-seven, with the two thousand twenty-seven--two thousand twenty-eight rate year, and every year thereafter, such standards of payment:

- (i) shall address liability insurance costs in a separate component from other administration costs; and
- (ii) may include a process related to parameter increases that reflects the full growth in liability insurance costs.

(b) The office of children and family services shall establish an application process for voluntary foster care agencies that can demonstrate increased costs for liability insurance that are not reflected in the calculation of the rate that is in effect at the time of application, to request a rate adjustment solely based on such increase,

1 subject to funds appropriated and the availability of state financial
2 assistance.

3 § 2. This act shall take effect immediately.

4 PART C

5 Section 1. The state finance law is amended by adding a new section
6 97-bbbbb to read as follows:

7 § 97-bbbbb. Voluntary foster care agency insurance bridge fund. 1.
8 There is hereby established in the joint custody of the state comp-
9 troller and the commissioner of taxation and finance a fund to be known
10 as the "voluntary foster care agency insurance bridge fund".

11 2. The voluntary foster care agency insurance bridge fund shall
12 consist of moneys appropriated, credited or transferred thereto from any
13 other fund or source. Any unexpended and unencumbered moneys remaining
14 in the voluntary foster care agency insurance bridge fund at the end of
15 a fiscal year shall remain in such fund and shall not be credited to any
16 other fund. Any interest received by the comptroller on moneys on depos-
17 it in the fund shall be retained in and become a part of such fund.

18 3. Moneys of the voluntary foster care agency insurance bridge fund
19 shall be made available to the superintendent of financial services, in
20 consultation with the commissioner of the office of children and family
21 services for distribution to foster care agencies to offset the
22 increased costs of purchasing required liability insurance.

23 4. To be eligible to be awarded moneys from the voluntary foster care
24 agency insurance bridge fund, a voluntary foster care agency shall
25 submit an application, including documentation demonstrating that the
26 provider has experienced an increase in the cost of their liability
27 insurance, in accordance with section three hundred ninety-eight-g of
28 the social services law.

29 § 2. The social services law is amended by adding a new section 398-g
30 to read as follows:

31 § 398-g. Voluntary foster care agencies; distribution of funds to
32 offset increased liability insurance costs. 1. Process for distribution
33 of funds. The superintendent of financial services, in consultation with
34 the office of children and family services shall establish a process for
35 the distribution of funds, subject to appropriations made available for
36 such purpose, from the voluntary foster care agency insurance bridge
37 fund established pursuant to section ninety-seven-bbbbb of the state
38 finance law, including the eligibility criteria and an application for
39 voluntary foster care agencies to submit supporting documentation demon-
40 strating an increase in the cost of such liability insurance. The super-
41 intendent of financial services, in consultation with the office of
42 children and family services shall establish and make available a
43 consolidated application for the voluntary foster care agency insurance
44 bridge fund no later than ninety days from the effective date of this
45 section.

46 2. Eligibility. A voluntary foster care agency shall be eligible to
47 receive funding pursuant to this section when such agency can demon-
48 strate it has:

49 (a) incurred a documented increase in liability insurance costs,
50 and/or increased deductible costs for actual claims paid;

51 (b) had foster care placements in the calendar years of two thousand
52 twenty-four and two thousand twenty-five; and

53 (c) an active and valid foster care operating certificate issued by
54 the office of children and family services.

1 3. Supporting documentation. The office of children and family
2 services may require eligible agencies to submit supporting documenta-
3 tion including but not limited to:

4 (a) invoices or other proof from an insurance carrier or broker that
5 identifies the amount of the previous and current or new insurance
6 premiums, including coverage dates;

7 (b) an invoice identifying the cost of the current insurance premium
8 with a notice of nonrenewal and quotes from other insurance carriers
9 demonstrating an impending increase in costs when their current insur-
10 ance expires; and

11 (c) invoices for actual insurance claims that included increased costs
12 incurred from paying higher deductibles, for claims covered and paid
13 under the terms of a policy in effect after the increased premiums took
14 effect. Such claims must also include documentation that shows the
15 previous and current deductible amounts, and in the instance of
16 increased costs to meet county requirements, documentation may include
17 county contracts showing the required insurance level a foster care
18 agency must secure to contract with such county.

19 § 3. This act shall take effect immediately; provided, however, that
20 section two of this act shall take effect one year after it shall have
21 become a law.

22 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
23 sion, section or part of this act shall be adjudged by any court of
24 competent jurisdiction to be invalid, such judgment shall not affect,
25 impair, or invalidate the remainder thereof, but shall be confined in
26 its operation to the clause, sentence, paragraph, subdivision, section
27 or part thereof directly involved in the controversy in which such judg-
28 ment shall have been rendered. It is hereby declared to be the intent of
29 the legislature that this act would have been enacted even if such
30 invalid provisions had not been included herein.

31 § 3. This act shall take effect immediately; provided, however, that
32 the applicable effective date of Parts A through C of this act shall be
33 as specifically set forth in the last section of such Parts.