

STATE OF NEW YORK

8585--A

2025-2026 Regular Sessions

IN SENATE

November 17, 2025

Introduced by Sens. KAVANAGH, GONZALEZ, HARCKHAM, KRUEGER, MAY, SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- recommitted to the Committee on Insurance in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the insurance law, in relation to enacting the "climate accountability and loss recovery act"

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "climate accountability and loss recovery act".

3 § 2. The insurance law is amended by adding a new section 3463 to read
4 as follows:

5 § 3463. Recovery for climate disaster losses; attorney general
6 enforcement. (a) For the purposes of this section the following terms
7 have the following meanings:

8 (1) "Climate disaster" means any event including fire, flood, hurri-
9 cane, tornado, landslide, mudslide, wind, storm, wave action, wind-dri-
10 ven water, tidal wave, air contamination, blight, drought, infestation,
11 explosion, nuclear, chemical, biological, or bacteriological release,
12 water contamination, bridge failure or bridge collapse, or any event
13 designated in a state declaration of disaster emergency pursuant to
14 section twenty-eight of the executive law or a local state of emergency
15 pursuant to section twenty-four of the executive law, provided that
16 climate change was a substantial factor in the event's frequency, sever-
17 ity, location, timing, or extent.

18 (2) "Fossil fuel product" includes the following:

19 (A) coal, as defined in section 1-103 of the energy law;

20 (B) fossil fuel, as defined in section 1-103 of the energy law;

21 (C) fuel gases, as defined in section 1-103 of the energy law; and

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

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1 (D) petroleum products, as defined in section 1-103 of the energy law.
2 (3) "Covered entity" means any person, firm, corporation, company,
3 partnership, society, joint stock company, entity, or association that
4 meets all of the following criteria:

5 (A) has an aggregate market capitalization or worldwide annual revenue
6 across the parent entity and all affiliated entities of at least five
7 hundred million dollars (\$500,000,000), determined by an average
8 capitalization or revenue over the preceding three years. For purposes
9 of this subparagraph, "affiliated entities" means a parent or subsidiary
10 corporation as well as any other business entity under common ownership
11 or control with the parent entity, including an entity consolidated for
12 financial reporting purposes, or to enhance profitability for the parent
13 entity;

14 (B) engaged in the extraction, production, manufacture, or sale at
15 wholesale of fossil fuel products; and

16 (C) did business in the state, was registered to do business in the
17 state, was appointed an agent of the state, or otherwise had sufficient
18 contacts with the state to be subject to the state's jurisdiction.

19 "Covered entity" does not include the federal government, any tribal
20 government, the state, a political subdivision of the tribal or state
21 government, or an employee of the federal, tribal, or state government,
22 on the basis of acts or omissions in the course of official duties.

23 (4) "Market disruption" means a material impairment to the availabili-
24 ty, affordability, or stability of the property and casualty insurance
25 market that is attributable to losses or projected losses arising from a
26 climate disaster, including but not limited to:

27 (A) the withdrawal, nonrenewal, or substantial reduction in underwrit-
28 ing by insurers or reinsurers;

29 (B) the imposition of assessments, surcharges, or premium increases
30 related to insurance losses or projected insurance losses resulting from
31 climate disasters;

32 (C) a material increase in the number of properties covered by the
33 residual market, excess and surplus line markets, or the New York prop-
34 erty insurance underwriting association; or

35 (D) the incurrence of public costs or taxpayer-supported expenditures
36 to stabilize, backstop, or replace private insurance capacity.

37 A market disruption may exist notwithstanding that individual insurers
38 remain solvent or that insurance coverage continues to be available on a
39 limited, excess, or non-admittance basis.

40 (b)(1) The attorney general may bring a civil action in the name of
41 the people of the state of New York against any covered entity for any
42 of the following:

43 (A) recovery of an assessment imposed on member insurers of the New
44 York property insurance underwriting association pursuant to section
45 five thousand four hundred twelve of this chapter, to the extent that
46 the association imposed the assessment to cover the association's
47 expenses or losses arising from a climate disaster.

48 (B) recovery of each surcharge or premium increase imposed on policy-
49 holders or insureds in the admitted, residual, excess, or surplus
50 market, when the surcharge or increase is based on an actual or project-
51 ed loss arising from a climate disaster, or to reflect priced-in risk of
52 a climate disaster.

53 (C) recovery of costs and losses incurred by policyholders or insureds
54 when the costs and losses (i) arise from a climate disaster; and (ii)
55 are transferred, pooled, assessed, or publicly backstopped through a
56 residual market mechanism to address insurer insolvency, market with-

1 drawal, or the availability of property and casualty insurance coverage
2 in this state, provided however that this subparagraph shall not author-
3 ize the attorney general to recover damages on behalf of any person who
4 is not a policyholder or insured, or to recover amounts exceeding the
5 applicable limits of the insurance coverage held by a policyholder or
6 insured for a loss.

7 (2) In any civil action against a covered entity under this section
8 the attorney general may recover or obtain any of the following:

9 (A) all damages arising from a climate disaster.

10 (B) reasonable costs and disbursements incurred by the attorney gener-
11 al.

12 (C) any other relief that the court or jury deems proper.

13 (3) Any covered entity shall be strictly liable, without regard to
14 fault, for any damages or other relief afforded under this section.

15 (4) In any action under this section, the court shall offset any
16 damages by amounts already reimbursed in claims arising from the same
17 case or controversy. The attorney general shall require each claimant
18 seeking damages to certify, under penalty of perjury, any amounts
19 received from an insured or the New York property insurance underwriting
20 association, including pursuant to section five thousand four hundred
21 ten of this chapter, for the same loss.

22 § 3. Subsection (a) of section 2304 of the insurance law is amended to
23 read as follows:

24 (a) In the making of rates, consideration shall be given to past and
25 prospective loss experience, including the conflagration and catastrophe
26 hazards, if any, both within and without this state, to all factors
27 reasonably attributable to the class of risks, to a reasonable profit,
28 to past and prospective expenses both country-wide and those specially
29 applicable to this state, any proceeds recovered by a claim pursuant to
30 section three thousand four hundred sixty-three of this chapter, and in
31 the case of participating insurers to policyholders' dividends, savings
32 or unabsorbed premium deposits allowed or returned to policyholders,
33 members or subscribers.

34 § 4. Severability clause. If any clause, sentence, paragraph, subdivi-
35 sion, section or part of this act shall be adjudged by any court of
36 competent jurisdiction to be invalid, such judgment shall not affect,
37 impair, or invalidate the remainder thereof, but shall be confined in
38 its operation to the clause, sentence, paragraph, subdivision, section
39 or part thereof directly involved in the controversy in which such judg-
40 ment shall have been rendered. It is hereby declared to be the intent of
41 the legislature that this act would have been enacted even if such
42 invalid provisions had not been included herein.

43 § 5. This act shall take effect on the ninetieth day after it shall
44 have become a law.