

STATE OF NEW YORK

9113

IN SENATE

February 3, 2026

Introduced by Sen. BAILEY -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

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); 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); and making an appropriation therefor

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:

15 ARTICLE 35
16 ASSIGNED RISK PLANS; VOLUNTARY FOSTER CARE AGENCIES
17 Section 3501. Participation in assigned risk plans.

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

LBD14437-01-6

1 Section 1. The state finance law is amended by adding a new section
2 97-bbbbbb to read as follows:

3 § 97-bbbbbb. Voluntary foster care agency insurance bridge fund. 1.
4 There is hereby established in the joint custody of the state comp-
5 troller and the commissioner of taxation and finance a fund to be known
6 as the "voluntary foster care agency insurance bridge fund".

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

14 3. Moneys of the voluntary foster care agency insurance bridge fund
15 shall be made available to the commissioner of the office of children
16 and family services for distribution to foster care agencies to offset
17 the increased costs of purchasing required liability insurance.

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

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

26 § 398-g. Voluntary foster care agencies; distribution of funds to
27 offset increased liability insurance costs. 1. Process for distribution
28 of funds. The office of children and family services shall establish a
29 process for the distribution of funds from the voluntary foster care
30 agency insurance bridge fund established pursuant to section ninety-sev-
31 en-bbbbbb of the state finance law, including the eligibility criteria
32 and an application for voluntary foster care agencies to submit support-
33 ing documentation demonstrating an increase in the cost of such liabil-
34 ity insurance. The office of children and family services shall estab-
35 lish and make widely available a consolidated application for the
36 voluntary foster care agency insurance bridge fund no later than ninety
37 days from the effective date of this section.

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

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

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

45 (c) an active license that is in good standing.

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

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

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

1 (c) invoices for actual insurance claims that included increased costs
2 incurred from paying higher deductibles, for claims covered and paid
3 under the terms of a policy in effect after the increased premiums took
4 effect. Such claims must also include documentation that shows the
5 previous and current deductible amounts, and in the instance of
6 increased costs to meet county requirements, documentation may include
7 county contracts showing the required insurance level a foster care
8 agency must secure to contract with such county.

9 § 3. This act shall take effect immediately.

10 § 2. Severability clause. If any clause, sentence, paragraph, subdivi-
11 sion, section or part of this act shall be adjudged by any court of
12 competent jurisdiction to be invalid, such judgment shall not affect,
13 impair, or invalidate the remainder thereof, but shall be confined in
14 its operation to the clause, sentence, paragraph, subdivision, section
15 or part thereof directly involved in the controversy in which such judg-
16 ment shall have been rendered. It is hereby declared to be the intent of
17 the legislature that this act would have been enacted even if such
18 invalid provisions had not been included herein.

19 § 3. The sum of twenty million dollars (\$20,000,000), or so much ther-
20 eof as may be necessary, is hereby appropriated to the office of chil-
21 dren and family services out of any moneys in the state treasury in the
22 general fund to the credit of the voluntary foster care agency insurance
23 bridge fund account not otherwise appropriated for the purposes of
24 carrying out the provisions of this act. Such moneys shall be payable on
25 the audit and warrant of the state comptroller on vouchers certified or
26 approved by the commissioner of children and family services, or such
27 commissioner's duly designated representative in the manner provided by
28 law.

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