LEGISLATIVE POSITION

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Memorandum in opposition of: A.1067—by MOA Rivera
S.133—by Sen. Ryan

AN ACT to amend the Insurance Law, in relation to prohibiting the exclusion of coverage for losses or damages caused by exposure to lead-based paint.

The Professional Insurance Agents of New York State Inc. (PIANY) opposes this legislation, which would prohibit insurance carriers from excluding coverage for losses or damages caused by lead-based paint exposure in rental property policies.

New York's ongoing lead-paint mitigation efforts

Over the past several years, New York State and its municipalities have undertaken extensive, coordinated efforts to abate lead-based paint hazards at their source. These efforts reflect a clear and growing public commitment to directly address lead exposure through targeted funding, proactive inspections, and legal mandates.

Most notably, the New York State Legislature amended the Public Health Law in 2023 to require owners of dwellings with two or more units, built prior to 1980, to register those units and certify them as free of lead hazards every three years. This requirement, which applies outside of New York City, marks a major expansion of lead hazard oversight in "communities of concern" across the state.

Additionally, the 2023-24 New York State Capital Budget allocated $20 million annually for lead hazard-remediation efforts statewide. These funds supplement the millions of dollars received from the federal government, including HUD Lead-Based Paint Hazard Control Grants, which support city- and county-level abatement programs. These multifaceted efforts focus on eliminating the hazard before exposure occurs, which is the most effective and sustainable approach to reducing risk.

By contrast, the proposed legislation takes a reactive posture—requiring insurers to cover the aftermath of exposure rather than supporting the actual removal of lead from homes. It undermines decades of progress in public health policy by shifting responsibility from the government and property owners to the private insurance market, without offering any new prevention tools.

A shift of public burden to the private insurance market

This legislation represents a concerning example of policy through private action—a growing trend in which the state offloads enforcement or mitigation responsibilities onto the private sector.

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By mandating insurers to provide coverage for inherently high-risk, preventable conditions like lead-based paint, the bill effectively deputizes insurance companies to enforce public health policy. The underlying expectation is that insurers, motivated by risk, will pressure landlords to remediate hazards. But insurance policies are not regulatory tools—they are financial products designed to manage fortuitous, not chronic, risks.

Insurers are not equipped to inspect, enforce, or verify compliance with health codes. They cannot take the place of building inspectors, code-enforcement officers, or public health departments. Requiring them to do so distorts the purpose of insurance and imposes undue burdens on the system.

Consequences for affordability and availability
Forcing coverage of lead-based paint risks would significantly disrupt the market, particularly in areas where the risk is most prevalent. Insurers would face uncertain and potentially catastrophic losses from claims related to long-term exposure, particularly involving children—a class of claims that is notoriously expensive and emotionally charged.

In response, carriers may restrict underwriting in older urban housing areas, especially in lower-income neighborhoods, effectively reducing access to insurance coverage. Premiums would increase across the board, particularly for properties built before 1978, making it harder for responsible landlords to remain insured and compliant. Policyholders could face nonrenewals or outright withdrawal of insurers from affected markets, exacerbating existing affordability challenges.

These impacts would fall hardest on low-income renters and property owners in areas with older housing, reinforcing cycles of disinvestment and economic marginalization—an unintended but very real “quasi-redlining” effect.

Conclusion
PIANY supports meaningful efforts to eliminate lead hazards from New York’s housing stock. However, this legislation fails to reduce exposure or enhance remediation, while introducing severe and inequitable market distortions. It substitutes sound public health policy with an unworkable insurance mandate that jeopardizes affordability, availability, and fairness.

For these reasons, PIANY opposes A.1067/S.133.

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