



S.88 (Ryan) / A.1687 (Rivera)

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BILL S.88 (Ryan) / A.1687 (Rivera)
SUBJECT Lead Paint Coverage Exclusions
DATE March 28, 2023
OPPOSE

This bill would prohibit insurers from excluding coverage for losses due to lead paint exposure from rental property liability coverage. The Business Council believes this bill is well-intentioned, however, it would have dire unintended consequences and financially harm those it aims to help. Therefore, The Business Council must oppose S.88 (Ryan) / A.1687 (Rivera).

In New York, it is assumed that if a building was built prior to 1940 it is almost certain to contain lead paint, and homes built between 1940-1959 probably contain lead paint. Due to the prevalence of lead paint in New York, and the inability to actuarially account for the risk, in the 1990s, the Insurance Department (now Department of Financial Services) approved the lead paint exclusion in property liability insurance. If they were to force insurers to cover this risk, then it would significantly drive-up premiums, potentially destabilize the market, and in turn, make housing less affordable.

In many cases, this bill will force insurers to cover costs for lead paint remediation even though the lead paint existed prior to the coverage. Requiring insurers to cover the costs of lead paint exposure claims will significantly increase the cost of rental property coverage, which will likely be passed down to the renters for whom this legislation is trying to protect. This will create additional barriers to affordable housing during a statewide housing crisis.

The Business Council is committed to increasing access to safe, affordable housing, and strongly believes there are other ways to protect renters, and more specifically, their children, from the harmful effects of lead paint exposure. There are better and more effective ways to prevent harmful lead exposure, including increased funding for lead poisoning prevention programs. Reversing this long-standing policy does not mitigate lead poisoning and will only increase insurance premiums and the cost of housing. For these reasons, The Business Council opposes S.88 (Ryan) / A.1687 (Rivera).