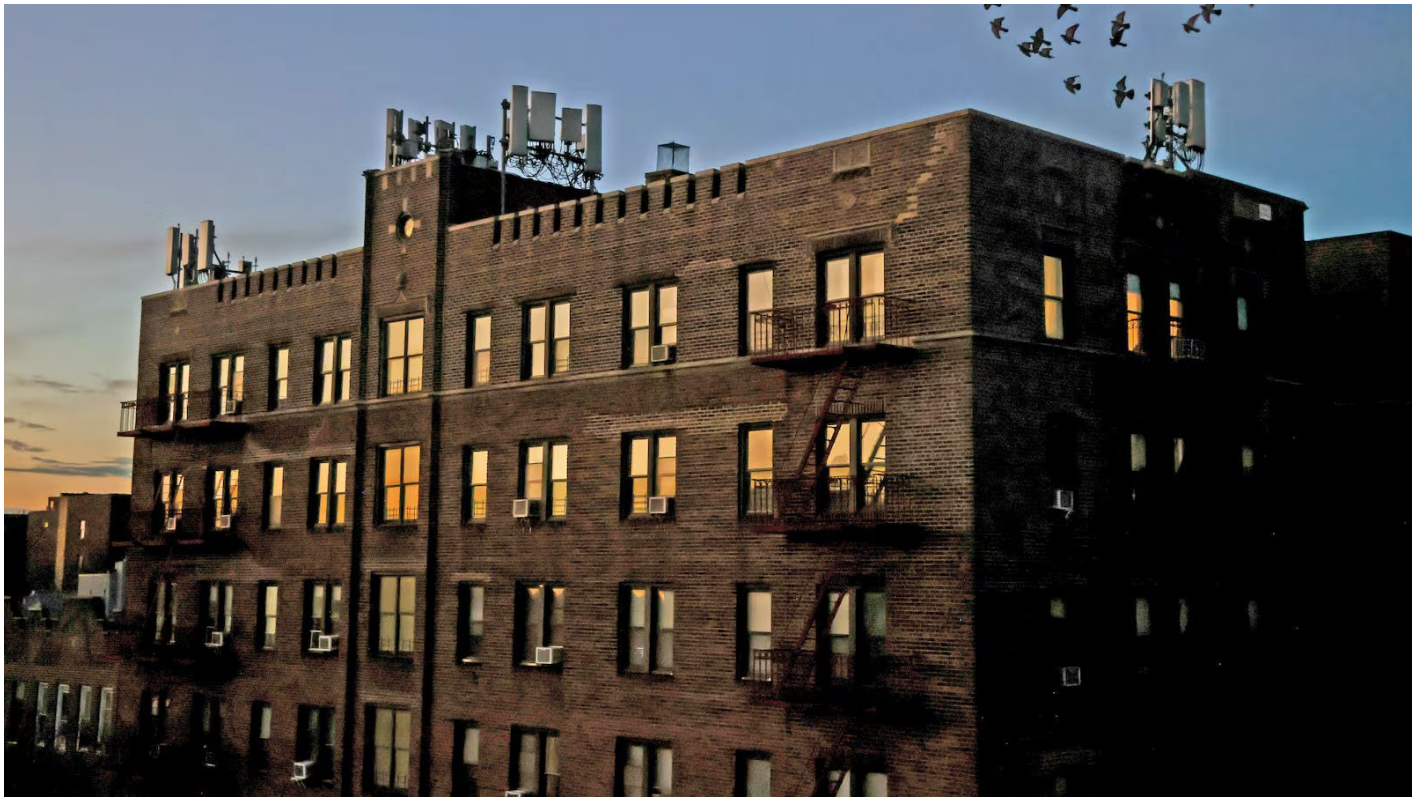
NEW YORK BUSINESS

POLITICS & POLICY

# Housing group reports insurance costs jumped 169%



New York housing (Michael Nagle/Bloomberg)

By **Kathryn Brenzel**

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Affordable housing groups are wading deeper into the debate over how to combat soaring insurance costs.

Enterprise Community Partners, a national housing nonprofit overseeing roughly 200 properties in New York, released a report this week underscoring how insurance costs have ballooned in recent years and how potential policy changes, including reforming the state's Scaffold Law, could address it.

The group analyzed its own portfolio, finding that insurance costs have jumped 169% between 2018 and 2025. Enterprise has a stake in these projects, which are wholly affordable through the low-income housing tax credit program. The average insurance cost per unit works out to $1,793 across the group's entire portfolio, while the average cost per unit in the city is $2,030. The national average, according to the report, is $1,167 per unit.

The report follows a number of others that have sounded the alarm on the role high insurance costs play in driving up operating expenses in existing housing and in developing new housing. It joins other calls for reform to New York Labor Law 240, better known as the Scaffold Law, which holds general contractors and property owners fully liable for gravity-related injuries on construction sites.

But the national housing group's advocacy for reform is another sign that such calls are gaining momentum and that efforts to change the law could be bolstered by nonprofit property owners. Notably, such efforts could prove to be more politically palpable coming from them.

The Hochul administration has acknowledged that proposals to reform the law are on state officials' radar. The Mamdani administration has also started speaking with stakeholders about potential insurance reforms. In fact, a presentation by the city Department of Housing Preservation and Development outlines a legislative package that would include reforming the Scaffold Law to create comparative liability, where legal responsibility is divided among parties. The presentation also floated requiring disclosures of third parties who fund personal injury cases and capping damages awarded to plaintiffs.

Opponents of reform have argued that changing the liability standard would erode worker safety. Supporters have framed the existing law as a boon for trial lawyers.

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Enterprise recommends similar reforms. Patrick Boyle, senior director of policy at Enterprise and one of the report's authors, pointed to the state's recent changes to auto insurance, which included limiting damages awarded to drivers and introducing certain price controls.

"The fact that the state took that on, really caused a lot of us in the affordable housing space to take notice," Boyle said. "The crisis has gotten so acute that we really have to do something."

New York is the only state that applies this "absolute liability" standard in connection to elevation-related incidents. The report includes analysis of one national affordable housing owner who found that the average insurance claim in New York was $105,000, compared to the average of $20,600 outside New York.

A separate New York Housing Conference report in 2024 found that for every $100 increase in insurance costs, the government needs to throw in an additional $1,200 in subsidies to pay for a housing project. The need for more government subsidy per project means that fewer housing units get built overall.

Brenden Mitchell, director of real estate and finance supervisor at the University Neighborhood Housing Program, said his organization and others struggle to find insurance carriers and have seen the value of their umbrella insurance drop as premiums have increased 14% each year. The uncertainty around cost and accessing coverage complicates financing new projects, he said.

"Anyone who is planning a new project and plugs in a number for insurance, they are lying," he said. "They have no idea how much it is going to cost."