CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AND WORKER PROTECTION

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B E F O R E: Harvey D. Epstein
Chairperson

COUNCIL MEMBERS:
Shirley Aldebol
Joann Ariola
Chris Banks
Gale Brewer
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A P P E A R A N C E S (CONTINUED)

Louise Yeung
NYC Chief Climate Officer

Annel Hernandez
Deputy Director for Clean Energy

Samuel Levine
Commissioner of DCWP

Carlos Ortiz
Chief of Staff at DCWP

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Linda Baran
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Lauren Aquino
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Anthony Pena
President of National Supermarket Association

Samuel Eluto
Building Trade Employers Association of New York

John Crotty
Milford Street Assocation

SERGEANT AT ARMS: Quiet, please. Good morning and welcome to the New York City hybrid hearing on the Committee on Consumer and Worker Protection. At this time, please silence all electronic devices. If you have any questions, please raise your hand and one of us, the Sergeant-at-Arms, will kindly assist you. Chair, we're ready to begin.

[gavel]

CHAIRPERSON EPSTEIN: Alright, good morning everyone. Welcome to today's Consumer Worker Protection hearing. I'm Harvey Epstein, Chair of the Consumer Worker Protection Committee. I'm here joined by our Speaker, Speaker Menin, Councilman Ariola, Council Member Brewer, and Council Member Louis. Today we have a bunch of bills aimed at ensuring consumers and workers are protected in New York and aware of their rights. Also, we have legislation by the Speaker combating the rising cost of insurance in New York. And I'll just quickly go through the bill numbers. Intro 285 by Councilmember Louis, 286 by Council Member Louis. We have Intro 417 by Council Member Sanchez and 685 by the Speaker, and Introduction 837 by Council Member Salaam, Council 847 by Council Member Ung, Resolution 387, Council

Member Brewer, Resolution 389 by Council Member Dinowitz, and Resolution 395 by Council Member Morano. Lots of bills to talk about today. We are lucky to have such a good group of members today, and I want to hand it over to the Speaker to talk about our legislation.

SPEAKER MENIN: Thank you. Thank you so much, Chair. I want to welcome everyone to today's committee hearing. We're thrilled to be hearing these bills today, and I first of all want to begin by Thanking the Chair, Council Member Epstein, for his leadership on this in convening this hearing on these incredibly important pieces of legislation. Thank you to the administration for being here. I'm here today to discuss a bill that I'm very proud to sponsor, Introduction 685, in relation to creating the nation's first Office of Insurance Accountability. This bill was prompted by one basic reality. Insurance costs are crushing New Yorkers, whether it's renters insurance, whether it's car insurance, whether it's general liability insurance for small businesses throughout the city, whether it's homeowners insurance. These costs are increasingly making our city less affordable to live in and to do business in, and we simply cannot afford to sit by and do nothing. While the costs have been accelerating even more in recent years, this is a problem that I've frankly been speaking about for a very long time. As many of you know, I'm a former small business owner and formerly served as a Commissioner of the Department of Consumer and Worker Protection. So I've really seen this from all perspectives. To really illustrate this issue of the rising insurance costs and the affordability crisis that we're currently in, I just want to start with a little bit of data. Business liability insurance has increased by 10 percent annually across the country. But here in New York, it is much, much higher. We have seen nightlife establishments literally change the way they operate or even shut down entirely. Liability insurance is crushing our small businesses. 5,000 small businesses shut down last year. We know that 8,000 jobs were lost in the restaurant and bar industry, and the Hospitality Alliance did a survey that showed that rising insurance costs were one of the leading drivers of costs for businesses- small businesses that had shut down. Let me be clear, if you're a small business owner in New York City, you are paying four times the national average for liability insurance. That is unacceptable. The average annual insurance premium for affordable apartments increased by 28 percent annually between 2019 and 2021, with some annual increases in the city as high as 76 percent in one year. Insurance costs for rent-stabilized units increased by 52 percent from 2020 to 2023. We've also heard reports that some buildings have had insurance surge over 300 percent, leaving a debilitating impact on renters and on homeowners. Homeowners' insurance premiums in our state have been increasing by 26 percent annually. New York homeowners have experienced average insurance premium increases of over $1,000 since 2020, and almost half a million New York homeowners are completely uninsured. Car insurance has increased by nearly 35 percent nationwide from 2022 to 2025 and 52 percent in New York. Perhaps most troubling of all, there's absolutely no transparency whatsoever about what these insurance companies are charging New Yorkers. New Yorkers literally have no idea why their insurance rates are going up. They have no idea whether some insurance companies are more or less expensive than others. They have no idea whether some companies are bad actors. As consumers of insurance, New Yorkers have really been disempowered on this key issue. Rising insurance costs also make New York less competitive on the national stage. New Yorkers are overpaying for insurance of all different kinds, and that money hurts our wages, it hurts our government's ability to invest more into direct services, and it hurts our overall economic development where we know that we lost 20,000 jobs in New York City last year. That is why I'm very proud to be sponsoring a bill that I introduced back in February to create the city's first-ever Office of Insurance Accountability. Under this legislation, the office would educate the public by providing information on types of insurance and issue generalized guidance for consumers on selecting an insurance plan. The office would also expose bad actors by tracking legal actions alleging deceptive, fraudulent, or other unfair practices by insurance companies that are harming consumers who purchase or seek to purchase insurance products, and also alert the public about those findings. The office would provide transparency around insurance pricing by conducting an annual study and issue reports on the cost of insurance and the factors that contribute to the cost of insurance. The office would provide recommendations related to stabilizing or lowering insurance costs. And then finally, the office would actually support New Yorkers by creating a unit to assist consumers in resolving insurance-related issues that would be headed by an insurance accountability advocate. Now, we have a model for how this new office can work, and I'm proud to say it stems from another bill I introduced several years ago that created the nation's first Office of Healthcare Accountability that is now housed at DOHMH. That office is already performing the same kind of transparency and accountability and advocacy work regarding hospital bills and health insurance. So that office lists the price of every single medical procedure at every single New York City hospital. And in fact, it led to enormous savings of over $1 billion for New York by leading to a new health plan that the city is now utilizing. By publishing the data on how much our hospitals are charging for certain common procedures, it is changing the way that New York City government, as well as many of our city's unions, are thinking about healthcare coverage. And it was estimated that this new Office of Healthcare Accountability could save over $2 billion annually, because let's face it, when you shine a light on practices, that transparency leads to lower pricing. And that's exactly what's happening around that office. So that is the same effect we want to achieve with our new Office of Insurance Accountability by bringing much-needed transparency to the opaque insurance industry, empowering New Yorkers to make more educated consumer decisions, and driving down the costs of various types of insurance. In our city. That transparency, that education, that type of consumer empowerment will create a system that is more equitable, more sustainable, and more affordable for the people who rely on it every single day. And that's why we're here today. I'm very excited to hear the administration's testimony on this. We have a lot of questions. We want to make sure this office is fully staffed and fully effective. So I want to turn it back over to Chair Epstein for his opening statement. Thank you.

CHAIRPERSON EPSTEIN: Thank you, Speaker Menin, and thank you for being here. I want to turn it over to Council Member Brewer for her opening statement.

COUNCIL MEMBER BREWER: Thank you very much. I'm just talking about a resolution to support legislation in Albany, but the reason I bring it up is, as the Speaker knows, on West 86th Street and Columbus, there's a middle-income co-op. And in '24-'25, the insurance for this middle-income co-op with a president of the co-op who is a nerdy president- he does all of his research- $93,000, a year later, $303,000 for the same policy. And they came to my district office very upset. What can Gale Brewer do about that? I don't know. So my resolution simply says to the people in Albany, we would like to have support for the bills in Albany, because I know that although we're talking about a local bill, there's much more support reality in Albany. So this would be a Damaral [sic] Bailey [sic] and others that are basically stating they would like to have an insurance fund for affordable housing. That's just one of the places that you have this kind of challenge. And in talking to people at the press conference earlier, some of the people who work in housing- I know there are laws that you're not supposed to discriminate against affordable housing in insurance, but it's going on. Some insurance companies are stating, I will not insure in the Bronx. Others are stating, I will not insure affordable housing. That's illegal. You can't say that. But all of this is going on. It's the redlining of 2026. I don't know why these insurance companies— there aren't that many insurance companies. That's the other problem, according to my friend who's head of this co-op board. And so they are able to increase the prices. I guess we can also blame climate change. I get told it's- you know, you're amortizing the hurricane and the tornado and the flood and all these other challenges that are affecting our climate, and that's why supposedly we're paying more. So I look forward to the discussion today. I hope that the resolution passes. It basically says, please, Albany, do something about this issue. There are some bills that talk about funds to do that, but I'm sure there's even more that could be done. Thank you very much.

CHAIRPERSON EPSTEIN: Thank you. Thank you, Council Member Brewer. Council Member Louis, for her opening statement.

COUNCIL MEMBER LOUIS: Thank you, Chair Epstein, for convening today's hearing and for your leadership in advancing consumer protection and affordability across our city. I'm proud to discuss Intros 285 and 286, two pieces of legislation that respond directly to the financial realities facing New Yorkers today. Introduction 285 addresses a growing crisis of utility affordability across New York City. Families are facing rising energy costs year after year. Con Edison rates increase and have already pushed higher bills with electricity and gas costs expected to rise more by more than 10 percent and nearly 16 percent respectively over the coming years, placing additional strain on working families here in New York. At the same time, we know that nearly one in six customers have fallen behind on their bills, and thousands of households have faced disconnections as costs continue to climb. For too many New Yorkers, keeping the lights on means sacrificing other basic needs. That is why this bill expands the role of the Office of Utility Advocate to meet people where they are. It ensures that every New Yorker understands their rights, have access to financial assistance programs, and receive clear, consistent education on how to navigate their utility bills. This is about equity for us, transparency, and making sure no one is left in the dark. Introduction 285 speaks to another rapidly growing threat, the rise of cryptocurrency and digital asset scams. Across the country, Americans lost more than $7 billion to crypto-related fraud in 2025 alone, with scams increasingly targeting seniors, young people, and immigrant communities. In just one category, Bitcoin ATM scams alone resulted in over $333 million in losses, demonstrating how quickly these devastating schemes are expanding. This bill requires the Department of Consumer and Worker Protection to proactively educate New Yorkers on how to identify and avoid and report on these deceptive practices, as financial literacy is essential. I look forward to working with my colleagues, advocates, and the administration to advance these measures and to ensure that our city continues to respond to these evolving challenges facing our communities. Thank you, Chair.

CHAIRPERSON EPSTEIN: Thank you, Council Member Louis. Council Member Ung wasn't able to join us today, but I want to read her quick opening statement on intro for 847. New York welcomes millions of visitors each year to experience everything that our city has to offer, and in doing so, they play a vital role in supporting our economy. But for too many visitors, that experience can be undermined by bad actors looking to take advantage of our tourists who may be unfamiliar with their city and their rights as consumers. With global events like the 2026 FIFA World Cup on the horizon, it's more important than ever that we are prepared. That is why Intro 847 is about making sure tourists have the tools, information, and confidence to enjoy their time here without fear of being misled or exploited. This bill would require the Department of Consumer Affairs and Worker Protection to develop accessible and multilingual educational materials to help visitors identify and avoid common scams, provide real-time information about how to report fraud, and offer straightforward guidance on how to file a consumer complaint. This is a common-sense step that builds on the work that we've already been doing to protect consumers while recognizing the unique vulnerabilities that our tourists may face. She wants to thank me as well as our colleagues on the committee for your consideration of this bill, and looking forward to working together to move this legislation forward and ensure the City of New York continues to be a welcoming destination for people around the world. Seeing no other opening comments, you know, we have the administration here, and maybe we'll have counsel swear them in. I don't know if you guys draw straws who's going first. Okay. Okay, great.

COMMITTEE COUNSEL: Good morning. Do you affirm to tell the truth, the whole truth, and nothing but the truth before this committee and to respond honestly to council member questions?

I do.

I do.

I do.

CHAIRPERSON EPSTEIN: Go ahead, Ms. Young. Please start.

CHIEF CLIMATE OFFICER YEUNG: Thank you. Good morning, Chair Epstein and members of the Committee on Consumer and Worker Protection. My name is Louise Yeung. I am New York City's Chief Climate Officer and head of the Mayor's Office of Climate and Environmental Justice. And today I'm joined by Deputy

Director for Clean Energy, Annel Hernandez and my team. Thank you for the opportunity to discuss the Office of Utility Advocate and Intro 285 of 2026. At the Mayor's Office of Climate and Environmental Justice, our team drives the city's efforts to protect New Yorkers from climate change and environmental pollution today and for generations to come. By overseeing innovative, data-driven policies, plans, and programs, our office equips and coordinates citywide efforts to deliver a healthier, safer, and more affordable city. Our work is driven by an understanding that the climate crisis is inextricably linked to the affordability crisis. For New Yorkers whose budgets are under stress, extreme weather can severely increase energy costs. Each year, over 500 New Yorkers die of heat-related illness. These are preventable deaths that are directly tied to energy affordability. While nearly 90 percent of households have air conditioning, many make the difficult choice to keep them off during summer months because they cannot afford the bill. No one should have to choose between putting food on the table, paying for child or elder care, and keeping their apartment safe and cool during a heat wave. New

Yorkers face some of the highest energy costs in the nation. With utility rates on the rise, bills for gas and electricity are eating up a larger and larger portion of New Yorkers' income, otherwise known as the energy cost burden. When energy bills make up more than six percent of a household's income, their energy burden is considered high. Families with low or moderate incomes that face energy— high energy burden are more likely to experience energy insecurity and not be able to afford the heating, cooling, and other basic needs that they need to survive. In the last five years, 3.5 million New Yorkers, which is about 42 percent of our city, have fallen behind on utility payments, and 1.9 million have experienced utility shutoffs because they could not afford to pay their bills. Energy burden doesn't impact everybody the same. Energy insecurity is even higher for Black and Latino New Yorkers, who are eight times as likely to have their utilities shut off than white and affluent New Yorkers in the last five years. Lowering energy bills is central to confronting the climate crisis and the cost of living crisis that is facing working families. MOCEJ is working on a new energy cost burden analysis to understand New Yorkers' struggles with high energy cost burden, and this effort will inform our regulatory engagement and advocacy related to utility rate cases, energy affordability programs, and other opportunities to secure affordable energy for all New Yorkers. Right now, New York City has the dirtiest grid in the state, with only 10 percent of our electricity coming from renewable energy. MOCEJ, in collaboration with city agency partners, continues to advance clean and renewable energy, including solar, offshore wind, and other technologies. Clean energy stabilizes energy costs and reduces reliance on volatile fossil fuel prices. We will also work to ensure the transition to clean energy infrastructure and energy investments that benefit the communities that need it most, including disadvantaged communities and low- and moderate-income New Yorkers. MOCEJ works to hold New York City's private utilities accountable to ensure that New Yorkers have the protections and resources they need to thrive. MOCEJ represents the city in the utility rate cases before the State Public Service Commission. In these rate cases, we advocate for lower utility bills and stronger energy affordability programs. Protections for utility customers like language access and prohibitions of service cutoffs during extreme weather. We also advocate for the city's clean energy priorities to ensure that we are reducing pollution and greenhouse gas emissions while equitably investing in disadvantaged communities. And we advocate for reliable, well-maintained, and resilient energy infrastructure to withstand climate impacts. Our office is in the process of planning for the next phase of our utility advocacy. We will work to hold New York City's private utilities accountable, and we look forward to advancing this critical area of work alongside efforts to advance clean energy and energy-efficient uptake in New York City. Intro 285 would amend the responsibilities of the Office of Utility Advocate to include additional public training, education, and more, especially in light of rising costs and more extreme weather conditions and potential reductions in federal funding for energy assistance. MOCEJ is committed to advancing energy affordability, and we support the intent of this legislation. In order to operationalize the goals of the legislation, MOCEJ would need additional resources to expand our utility advocacy work and develop new partnerships. Thank you so much for the opportunity to testify here, and we look forward to working with City Council on these issues of energy affordability and the climate change in the years to come.

CHAIRPERSON EPSTEIN: Thank you, Commissioner.

COMMISSIONER LEVINE: Thank you and good morning, Madam Speaker, Chair Epstein, and members of the Committee on Consumer and Worker Protection. My name is Sam Levine and I'm the Commissioner of the Department. I'm joined by our Chief of Staff Carlos Ortiz and our Associate General Counsel Andy Schwenk. Thank you for the opportunity to testify before the committee today on these important bills. The New York City Department of Consumer and Worker Protection is the nation's leading municipal enforcement agency charged with delivering economic justice. DCWP leverages its authority to bring New Yorkers real economic relief and protect them from predatory, deceptive, and unfair practices that violate New Yorkers' rights as consumers and as workers. This includes pioneering cutting-edge protections such as the city's Consumer Protection

Law, Protected Time Off Law, Fair Workweek Law, and delivery worker laws, including the minimum pay rate for delivery workers. Through licensing more than 45,000 businesses across 45 industries, we ensure fair competition and a level playing field for responsible small businesses that are integral to New York City's vibrant communities. DCWP also provides essential services such as free tax preparation and financial counseling to ensure New Yorkers can keep more of what they earn and plan for their futures. We are committed to making sure New York City is a fairer and more affordable place to live. I am incredibly proud of our agency's work on the affordability agenda over these last four months, and our fight for New Yorkers has just begun. We've taken on major corporations to recover millions of dollars for consumers and workers targeted by junk fees, stolen wages, and exorbitant price hikes. Mayor Mamdani has signed executive orders tasking DCWP to tackle subscription tricks and traps and junk fees under the city's Consumer Protection Law. Since then, our team has been hard at work. Just this past month, we introduced a proposed rule, the Click to Cancel rule, to strengthen New Yorkers' consumer rights and ensure they can easily cancel automatic renewals and continuous service offers. We've also filed lawsuits against companies like Extra Space and Radiant Solar for the deceptive and illegal schemes that drove up costs for consumers. As well as against Instant Recovery Corporation, a Bronx-based tow operator, for charging illegal fees and using unlawful tactics to exploit the people of the city. Overall, since the start of the Mamdani administration, we have secured more than $9.3 million for New Yorkers, delivering real economic relief and justice to consumers, workers, and small businesses across our city. Earlier this year, our strengthened Protected Time Off Law went into effect for more than 4 million employees across the city. Requiring an additional 32 hours of unpaid time off and expanding the reasons for which an employee can use time off, including childcare, workplace violence, public benefits hearings, and more. We implemented a package of laws that expanded protections to more delivery workers, including minimum pay requirements that will ensure grocery delivery workers for companies like Instacart receive a dignified pay rate, and that we're closing the loophole that allowed apps to pay far less than the minimum wage. We also celebrated the passage, the Council's passage, of much-needed deactivation protections, which will prevent arbitrary and unfair deactivations for contracted delivery workers and high-volume for-hire vehicle drivers, as well as the Aland ATM Safety and Security Act, which will provide security guards that keep us safe every day with better pay and benefits. This is just the beginning. We will continue to lead the nation in implementing cutting-edge worker protection laws that strengthen workplace rights and improve labor standards for our workers. While we are thrilled about what we have done, we are also excited for the future of our department. As we continue our mission of delivering economic justice, we recognize that New York City, as a number of the Council Members have alluded to, is facing a severe affordability crisis, largely driven by corporate greed and predatory practices by unscrupulous businesses. Our strategy of robust and aggressive enforcement is one of the critical steps to bringing real accountability to the worst actors and real relief to the people of New York. Turning now to today's legislation. Introduction 285 would amend the responsibilities of the Office of the

Utility Advocate to include additional public training, education, and more in light of rising costs from New York State-approved rate increases, more extreme weather conditions, and potential reductions in federal funding for energy assistance. DCWP defers to the Mayor's Office of Climate and Environmental Justice on this important legislation. With respect to Intro 286, this legislation would require DCWP to develop and conduct ongoing outreach and education to raise awareness of deceptive and unconscionable trade practices involving cryptocurrency and other digital assets. We have serious concerns about the hazards of cryptocurrency And we support the intent of this legislation. We understand the rise of scams in the digital space has been detrimental to many New Yorkers. However, we do not have the policy expertise to advise on cryptocurrency or digital assets or to develop a meaningful outreach campaign. In addition, the New York State Department of Financial Services already actively regulates the digital assets industry and we believe is therefore in a better position to address these important concerns. With respect to Introduction 417, this legislation would require those who are required to post construction permits to post information developed by DCWP on how workers can file a wage theft complaint, as well as other information on worker rights related to wage theft under state law. We support this legislation. However, there are already a number of wage-related posting requirements for the industry. Rather than creating a redundant notice that may lead to confusion, we recommend the bill instead require the display of our full Workers' Bill of Rights poster, which includes a QR code. That would increase workers' awareness of core workplace rights under state, local, and federal law. With respect to Introduction 685, that legislation would establish an Office of Insurance Accountability within DCWP. The office would provide information on types of insurance and issue generalized guidance for consumers, track legal actions alleging unfair practices by insurance companies that harm consumers and alert the public to relevant findings. It would also conduct an annual study and issue reports on the cost of insurance, provide recommendations related to stabilizing insurance costs, and create a unit to assist consumers in resolving insurance-related issues. We share the Council's deep concerns regarding the skyrocketing cost of insurance products, and we recognize the need for increased transparency within the industry, especially in light of the affordability crisis our city faces. However, we are mindful that many insurance products are heavily regulated by the New York State Department of Financial Services. We have concerns, therefore, that the bill's requirements could be duplicative of efforts by New York State. Additionally, the bill would require DCWP to accept and triage consumer complaints and issues related to insurance without having the regulatory authority over this industry. This could cause confusion and possibly frustration for consumers who are experiencing major issues with their insurance and could lead them away from the state agency that actually possesses the authority to take real action against these companies' predatory behavior. Insurance prices are a serious issue that New Yorkers are encountering, no doubt. For that reason, we look forward to working with the Council through the legislative process to successfully achieve this bill's goals, especially giving consumers the help they need for their insurance issues— I should say consumers and small businesses— and ensuring transparency for this industry. We look forward to working with Council on finding solutions to the affordability crisis that so many New Yorkers are facing. Turning now to Introduction 837, this legislation would direct DCWP, in consultation with CCHR, MOIA, and Aging, to establish and implement ongoing outreach and education programs for New York City residents about scams related to Hajj. DCWP supports the intent of this legislation. We are not presently aware of specific scams around this issue, but we recognize that it may be affecting many of our city's Muslim residents. As such, we are eager to hear from affected stakeholders to understand the scope of the problem and how issues like this have been tackled by other municipalities. Turning now to Introduction 847, this legislation would require DCWP to establish and implement an outreach and education program to create awareness of common scams targeting and impacting tourists. The bill would also require DCWP to develop and distribute educational materials specifically targeted to tourists during the 2026 World Cup. We support the intent of this legislation. Our consumer protection laws extend to the millions who visit New York City every year. We understand the importance of tourism to the city and our economy, and we welcome Council's eagerness to ensure tourists are protected from common scams they might face. We would like to hear more from stakeholders on how to best educate those who visit our city in the most efficient and effective manner. In conclusion, I want to thank the Council for the opportunity to testify before this committee on today's important legislation. We look forward to working with all of you to further our efforts to protect New Yorkers in this new era of economic justice. I welcome any questions you may have for further discussion.

CHAIRPERSON EPSTEIN: Thank you both for your testimony. I'm going to turn it over to the Speaker for some questions.

SPEAKER MENIN: Great. Thank you so much. Thank you for your testimony today, Commissioner Levine. I have a number of questions for you. So looking at your testimony that you just gave, I am concerned about some elements regarding Introduction 685. I just want to read a couple lines from the testimony that I have very specific questions about. Your testimony indicates, we are concerned that the bill's requirements could be duplicative of efforts by New York State. I want you to please further explain that. New York State, with all due respect, does not have an insurance advocate. They're not addressing this issue. To me, as someone who's been a regulatory attorney for almost 20 years and formerly led this agency, this is like one of the top consumer protection issues right now affecting New Yorkers. So I don't really understand the idea of just punting it over to the state.

COMMISSIONER LEVINE: Yeah, I'm very sympathetic to that view, Speaker Menin. In fact, I have had to file a complaint with DFS over personal insurance issues, and candidly, I was very frustrated by the response. It's something that we would not tolerate with the consumer response that came into DCWP. Our concern, I think, stems from the fact that DFS does have an established complaint intake unit for insurance. They received, we understand, more than 36,000 complaints last year. They returned more than $139 million to consumers who submitted insurance complaints. I am— nothing I say should suggest that is adequate. Nothing I'm saying should suggest that this is— DFS is already addressing the insurance affordability crisis in the city. I don't think they are. That said, they are in the position because of their legal authority. They supervise the industry, they license the industry, they have the ability to sue the industry, they study the industry. If I were advising my own friends and family on where to file a complaint, I would still urge them to file it with DFS, because DFS actually has the authority over the industry that can lead to better results for consumers. So I'd be very eager to work with you to figure out how we can fix this broken process and make sure that New Yorkers can get effective responses. My concern, Madam Speaker, is I just don't want DCWP, an agency with very limited authority, over the industry to stand between consumers and getting the relief they need. And I know you do not want that either.

SPEAKER MENIN: Certainly, I think not only would DCWP not stand in the way, the issue is the data that I mentioned in my testimony bears the fact that DFS is not lowering insurance costs for New Yorkers. So while yes, they might be addressing some insurance complaints, they're not succeeding at all. They're failing in their goal to lower insurance costs. Whether you're a small business owner, whether you're a rent-stabilized tenant, whether you are a homeowner, whether you are a car owner, all of the different examples I gave, the insurance costs are skyrocketing in New York and are literally putting small businesses out of business, are standing in the way of the affordability crisis for renters and homeowners. So something has to be done. Obviously, DFS is the regulator, but just like we passed my healthcare accountability bill where hospitals are regulated by the state, the path is transparency. The path is shining a sunlight on these disparate, opaque, predatory prices. And so that is a role that I want DCWP to play. And there is no insurance advocate at the state level that is helping consumers, whether the consumer is a small business owner, a renter, a homeowner, a car owner. That's a role the DCWP needs to play in that regard. And certainly when I served as commissioner, that's the role we played. You know, what comes to mind for me is we issued subpoenas against Santander Bank. We issued subpoenas when I was commissioner against Santander Bank because they were engaging in what we believe to be predatory loaning auto loans. And technically, yes, DFS was supposed to regulate Santander Bank, but we saw failure and we stepped in. That is what DCWP needs to do. We need to set up this office to really help consumers.

COMMISSIONER LEVINE: Yeah, I think those are exactly the right objectives. I think what we want to do is ensure that- you know, for example, if we get a complaint from a consumer around a claim that had been denied or a rate that went up 300 percent, as Council Member Brewer was alluding to, at the end of the day, we would then go to DFS to understand what the rate regulations were that were in place that allowed or perhaps did not allow the insurance company to make that increase or to deny those claims. At the end of the day, then, my concern as the bill is currently drafted is that we would act as a middleman where we'd essentially be communicating back and forth between DFS and the consumer. That said, again, I have personal experience with this, and it sounds like you do too, Madam Speaker. Nothing I say should suggest that the current process for consumers with complaints about the industry is working, and I fully agree that DCWP, including through an accountability office, could help uplift the voices of these consumers. I just want to be sure the bill is written in a way that makes we are standing alongside consumers in their battle to get justice and affordability for insurance, rather than in between consumers and actually getting them the relief they need.

SPEAKER MENIN: The point of the office is to shine a light on the insurance industry and to really talk about and to find out what are the drivers of these high costs. Why is it that people are paying these astronomically skyrocketing costs? And to issue reports that delve into that— that is not what DFS is doing. I just pulled up DFS's— and look, I worked a lot with DFS when I was commissioner. We did joint cases. I'm very familiar with agency. If you look at DFS's website, when you talk about that rising cost, I'm just going to read from the website. It says you may be eligible for discounts on your homeowners, auto, and health insurance, which could lower your insurance costs. For many kinds of insurance, insurance offer discounts if you take steps to reduce your risk, like installing hurricane-resistant glass in your or taking a defensive driving course. Ask your insurer or an insurance broker to see what savings you might be entitled to. That is not what we need. What we need is a dedicated accountability office located at the city level, because let's face it, most people who are suffering from these high insurance costs, they're not calling DFS. Most people don't know, oh, I should call DFS, but they do know about the Consumer and Worker Protection Agency. You all are on the front lines. So that is why I feel so strongly about this issue. And I'm like really passionate about having DCWP, an agency I care deeply about, to serve on the front lines to address these issues.

COMMISSIONER LEVINE: Well, I think that's an excellent way of putting it. I think at the end of the day, thanks to work you did and thanks to what we are hopefully doing today, I think we are a trusted agency for New York City residents. I think people do know that when they file complaints with us, we actually mediate them. We actually deliver big results for people. I alluded to that in the testimony, and that is not many people's experience when they're dealing with the state. So I would, again, be very pleased to work with you, and we've already been batting around ideas on how to make sure that New Yorkers know that, A, there's no wrong door, and B, that they can turn to an agency they trust to get the help they need. I just want to be sure it's written in a way that doesn't slow down that relief, that speeds it up instead.

CHIEF OF STAFF ORTIZ: And I would just add too, and I appreciate how this bill and some of the other outreach and education bills have— I think they showcase that the council, the trust we built together, and that we are a trusted resource for consumers and workers in New York City. And we want to build off that. We want to make sure that we're contributing to solutions here that are going to drive concrete results, whether that's studies that we can put together based on consumer feedback, whether that's leveraging our, I think, our robust outreach efforts. And yeah, I think building on the work we've been doing so far.

SPEAKER MENIN: Great. Okay, couple questions. Are you currently tracking insurance costs right now?

COMMISSIONER LEVINE: Oh, we are not.

SPEAKER MENIN: Is there a reason why? Obviously you're not the regulator, which I understand, but is there a reason why? Are you getting complaints on insurance?

COMMISSIONER LEVINE: So we do get some complaints on insurance. We refer them to Department of Financial Services. In terms of tracking costs, you know, candidly, Madam Speaker, we don't have the expertise in that. Obviously your bill contemplates, you know, bringing on experts, so I recognize that's something you're addressing. But presently we don't have that expertise. We don't have access to that data, or I should say we don't collect that data. I don't know.

SPEAKER MENIN: Since it was-

CHIEF OF STAFF ORTIZ: I would— I just wanted to add, Speaker, I'm sorry, that currently the city's 311 systems are— and referral pathways are set up that when a consumer comes into the city, it directly sends them to DFS. We do- I think since 2024, have received approximately 300 or so DFS-related complaints. That's not just insurance, that's also sometimes banking and other issues like that. And we also would work to expedite those to DFS as well. In terms of echoing the Commissioner's point about not having currently the in-house expertise that works on this type of stuff to study insurance products, that's why we also submitted an FIS requesting 19 lines for $2 million.

SPEAKER MENIN: Well, as you know, I think both myself and the Chair are big advocates of you all receiving more funding. I'm really unhappy about the eight percent cut. I think that's unacceptable. To me, consumer and worker protection is of paramount importance and you all should be receiving more funding, not less. In terms of- while I understand you're not regulating it, do you have any thoughts about why insurance costs are going up across the board?

COMMISSIONER LEVINE: You know, I have thoughts based on what I've read in the news about- I think, A, a lot of it is, I don't know that insurance regulators have been aggressive as they could be. Certainly a lot of insurance companies are blaming climate change or blaming fraud or blaming actuarial issues in, you know, in certain categories. But at the end of the day, I think you articulated very powerfully how— why are New York rates rising so much faster than almost anywhere else in the United

States? And I don't know the answer to that, candidly.

CHIEF OF STAFF ORTIZ: I think— oh, sorry. I think that's also why we enjoy these hearing formats as a setting to learn from the stakeholders too. Having conversations with our small business advocates, with our worker advocates to understand intrinsically what's happening in their daily lives with their costs and how we could as a city address them.

SPEAKER MENIN: Okay, those are the extent of my questions. Thank you so much.

COMMISSIONER LEVINE: Thank you.

CHAIRPERSON EPSTEIN: Thank you. Thank you, Speaker. And if I want to continue along that path, if we can, are there— we know that the city and state have overlapping jurisdiction in multiple areas, right? I mean, I think this, we see this regularly. So I'm just concerned that you're saying, well, DFS has this power, you know, Division of Human Rights and the City Commission on Human Rights, obviously there's overlapping jurisdiction, and in some ways they play a real hand-in-hand relationship. And I'm wondering why you see this differently, where

DFS has some power to do regulations, but you have the ability to— you know, you— how many thousands of complaints are coming to your agency every year? People know to come and report. There's a real important vital at play- you know, you're a vital player here. I'm not understanding why you would— maybe it's a resource problem. I don't understand what would really stop you from wanting to be able to have a direct relationship with consumers and trying to figure out what those issues are and really, as the Speaker said, bring a spotlight to this concern.

COMMISSIONER LEVINE: No, I appreciate that, and nothing stops us. Let me share a little bit more on how I see the sort of differences, because you're absolutely right. Just about everything we do, if not everything we do, the state has authority to do as well. Deceptive practices, AG can take it on. Unconscionable practices, AG can take it on, etc., etc. I think the difference here is that our expectation, which could be wrong, is that the vast majority of complaints we get are going to be about rate increases and claim denials. And with respect to rate increases, those are not just— it's not just sort of a general deceptive practice. Those are specifically regulated and either authorized or not authorized by the state. That is just an area- we can't— my understanding is we couldn't allege that a rate increase is deceptive, for example, or unconscionable if the state specifically authorized a rate increase. Now, that might be different if an insurance says— if insurer says, get your first month of auto insurance free. That's very much in our— and they don't give it free. Very much in our wheelhouse. We have the authority. We would talk to the state because, you know, there's overlapping jurisdiction, but that's well within our wheelhouse. But if it's with respect to a 300 percent rate increase in a year, we would have to go to the state and say, did you authorize this rate increase? What was the basis for it? Why did it apply on this property? Why wasn't there an opportunity to dispute it, etc., etc.? That is not an area where we can bring our general consumer protection powers to bear if those increases were specifically authorized.

CHIEF OF STAFF ORTIZ: And I would just add too, I think the commissioner, in his— in just these past four months, I think has worked incredibly hard to build stronger ties with DFS, the AG's office, these state authorities, so that we can coordinate when we need to on these issues. But I mean, if I can dig in a little bit deeper too on some of the outcome pathways for consumers as it relates to perhaps mediation, you know, mediation for us is a very powerful tool to make sure that we can deliver restitution to New Yorkers. I think ultimately there is a reality there that we have an enforcement stick in many of those cases that we mediate, whether that's a license category or or something that we can cover through our Consumer Protection Law. But to the Commissioner's point, there are certain issues we won't be able to have that enforcement authority over. And we want to make sure that ultimately the consumer is connected to an authority that can bring them results through a legal action if necessary.

CHAIRPERSON EPSTEIN: Can I just push here? Because if you had 300 complaints on a topic that you could bring those complaints together and really bundle it to get to DFS as saying, hey, we've seen this problem in this area. And so now we've got some real good information to share with DFS to be like, hey, maybe you should target resources on this issue. We don't know what the issue— maybe it's a small business issue, maybe it's, you know, like the council member or a co-op who's experiencing a huge rate increase. But your ability to kind of be the on-the-ground information could do something that DFS would never have the resources, the ability, or capacity to do in a way that could positively impact consumers. I'm wondering why we see this disconnect here.

COMMISSIONER LEVINE: I actually don't think there's a disconnect on that, Councilmember— or Chair, excuse me.

CHAIRPERSON EPSTEIN: That's fine.

COMMISSIONER LEVINE: I absolutely agree. There are- you know, we get 300 complaints about something, we can spot patterns and elevate those voices to DFS. I think the concern is not with what you said, sort of the middle step, what to do with those 300 complaints as they're coming in. These are folks that are getting bills in the mail for massive rate increases. How do they get quick relief? And at the end of the day, an insurance company is more likely to take a call from the superintendent of DFS than the Commissioner of DCWP, because at the end of the day, DFS regulates licenses, etc. But that does not mean—

SPEAKER MENIN: [interposing] Can I just— I just want to interject. I actually disagree with that. While yes, DFS is the regulator, but you as the Commissioner have the power of the bully pulpit as the lead agency on consumer protection. This is a fundamental consumer protection issue. So I actually do disagree with that. I think your calling does, or speaking out about it would make a big difference. This is why I don't want the agency giving its power away to the state agency that clearly has not effectively lowered people's rates. I mean, we have a crisis on insurance rates. It is an epidemic and it is exacerbating the affordability crisis across every different sector— renters, homeowners, small businesses, car drivers- I mean, you name it. So this is why you— we really feel so strongly about this.

COMMISSIONER LEVINE: And, and, and to be clear, I feel strongly about it too. I have been affected by skyrocketing— I had an insurance policy I could not cancel. I could not get someone on the phone. I literally had to call someone I knew at DFS because my complaint wasn't going anywhere. So I want to just underscore, I deeply support the intent of this legislation and recognize that the process, both the rates right now are broken from an affordability perspective, and the complaint resolution process is not working from a consumer protection perspective. All I want to make sure of is that we are working with DFS in a way that does not duplicate, that does not create additional layers, that does, I think, what both of you have articulated, which uses our voice to uplift what's happening to consumers on the ground without getting in between consumers and the actual regulatory authority that might be able to lower the rates.

CHAIRPERSON EPSTEIN: Can I just move a little closer to the issues of the power you might have around writing reports and kind of highlighting the issues? I'm wondering, I mean, even in that area alone, there's a lot of power that you could have to kind of highlight a problem that you see, a recurring problem, to issue a report, to kind of bring attention to an issue. I'm wondering why this might not be a good vehicle for you all to kind of talk about an exacerbated problem, whether it's a small business issue or a homeownership issue.

COMMISSIONER LEVINE: I think it could be a good vehicle. I think we'd want to talk about what's the best angle for us. If it's about, for example, how much of a rate increase there is, you know, we don't have actuaries. We could. I mean, with funding we could, but we don't have that expertise at the moment. But you know, we do have the expertise, for example, of saying we are getting a pattern of New York homeowners in a certain neighborhood facing rate increases that are way above any other neighborhood in New York City. Why is this happening? And you're absolutely right. DFS will take a call from us. We can issue a report that would draw attention to this issue and put the state in a position of, I think, having to. Hopefully respond to us. So no, I don't disagree with you at all. I think there is an important role we can play, the advocate can play, in raising, frankly, the heat on the state to pay more attention to this issue.

CHIEF OF STAFF ORTIZ: Yeah, I would just add to that that I think our testimony on this is we're— we share the goals about addressing these skyrocketing costs. We just want to make sure we're crafting a bill that, that leans into our strengths, and doesn't create unnecessary unintended confusion for consumers. But aspects like the bully pulpit that Speaker Menin mentioned, I think we have been actively over the past four months trying to utilize that power as well to make sure that businesses are on notice, that we're vigilant of them, and that consumers and workers have a resource with us too.

SPEAKER MENIN: And I think it's also more than the bully pulpit. I think it's also there are proactive steps you can take, like we took against Santander Bank. The DCWP does not regulate banks, but yet we subpoenaed them on a subprime auto loan. We also actually released auto loan product that was fair to consumers. We put out a whole RFP on that to actually tell banks, these are the types of auto loan products you should do. There's so many tools in the toolbox that could be utilized on the insurance point.

COMMISSIONER LEVINE: Yeah, no disagreement there, Madam Speaker.

CHAIRPERSON EPSTEIN: So I guess what I'm hearing from you is that while in the testimony there was raising some concerns, I think there's a lot of shared values on doing something here. The Speaker, I know, has raised this as a priority. I think we've heard from you, like, how report writing, highlighting the issue, being a place for consumers to go to be able to flag something, to be a real partner with DFS in doing this like we do on almost any other issue with the state where there's overlap, potentially overlapping jurisdiction. I see those pieces here. I'm just wondering, are you concerned about the cost to do this? Are you worried because we don't have a fiscal on this? Is there something that, uh, that you are concerned around in relationship to the fiscal?

COMMISSIONER LEVINE: Yeah, I could get into that a little bit. We did provide our own fiscal analysis, and, you know, this committee has been a great supporter of this department, and the Speaker's been, of course, a great supporter of this department. Uh, you know, we estimated we would need 19 lines We can have that conversation separately. That's not the source of our objection or our concerns here. The source of our concern are more kind of— they're very specific, which is why I really believe we can work together and make this achieve all of the goals the Speaker articulated. So, for example, analyzing the factors that contribute to the cost of insurance. You know, impossible— in theory, we could use additional lines to hire the kind of experts to study the cost of insurance. But to Carlos's point about leaning into restraints, an alternative way we could approach this is saying, here are the patterns we're seeing. Here are the patterns by neighborhood. Here are the patterns by zip code. Here are the patterns by council district. Here are the different types of insurance that are skyrocketing. We could use that, which leans into our existing restraints, to again raise the temperature for DFS. I think there are other small points as well in the bill, but again, we think this is- this is an intent— We support the intent of this bill. We think there's language that we could work on that could get us to a place where we would feel confident that we could be constructive and contribute to affordability for New Yorkers.

CHIEF OF STAFF ORTIZ: Yeah, I would add a chair to your statement. I think, yes, we broadly agree with what you just mentioned. I think it's the commissioner's point, the nuances that we want to engage with in redlining to again lean into our strengths. And also, I think the stakeholder feedback is critical here. I mean, we've already heard from small business advocates, for example, on other options they need publicly to make sure that the insurance costs are coming down. I think the more that we hear voices like that, maybe we can think about other pathways to lower insurance too.

CHAIRPERSON EPSTEIN: Yeah, I would like to give you more tools in your tool belt to be able to address the insurance issues. And it sounds like you seem very open to it. I understand 19 lines is obviously a fiscal that I will defer to the speaker on how we're going to get there on it. She's already, and I've already been public about how we want to increase funding for you. So I think there's a lot of opportunities there. I just think we're— there's just this hole here that I think the speakers identified where people are struggling. We heard from our Small Business Chair earlier today who said, you know, small businesses are struggling. You know, we— so there's something here. Maybe you find it geographically. Maybe you see, you know, by doing this study that there's discrimination in a neighborhood that we argue could be race or class-based. And so that could allow other litigation that could come up because you've done the necessary research to find this information.

COMMISSIONER LEVINE: Yeah, certainly. And I know the speaker would be very familiar with this work. You know, we have done really important studies on unbanked populations across New York City, on the student loan burden across New York City. We have deep expertise in how to identify and uplift the economic concerns facing New Yorkers in a very local way, in a way that recognizes the unique issues that different neighborhoods of the city face. So we'd be very keen to do that in the insurance sector as well, for all the reasons you've articulated. This is an affordability crisis.

CHAIRPERSON EPSTEIN: Great. I know the speaker doesn't mind. I don't have more questions. Okay, okay. I know I'm going to turn it over to Council Member Brewer because I know she's got some questions as well.

COUNCIL MEMBER BREWER: Yeah. So if this bill was to pass, or even— I know you said that currently everything goes to the state, but is there some other way that the complaint process could be taken on the local level, or do you think they really should all go to the state? In other words, you had said maybe you had some other ideas. So-

COMMISSIONER LEVINE: [interposing] No, I'm glad you asked this. I think we need to think about it a little more is my candid answer. At the end of the day, the state needs to be aware of them because they're the ones who license the insurance companies, approve the rate increases, et cetera, et cetera. But that doesn't mean we need to be out of the process. So for example, there might be a process where complaints go to both agencies at once. There might be a process where they go to us and we escalate them to DFS. We have not had an opportunity yet to figure out exactly what that mechanism could look like. We want to talk to the committee. We want to talk to stakeholders. But we're very— but again, I just want to repeat myself again here. I am not suggesting the status quo works, and we're very— we'd be very happy to work with stakeholders to make things better for folks.

COUNCIL MEMBER BREWER: Do you know, I know you send them along, but obviously, I- we heard earlier from Hospitality Alliance that their local businesses used to have other top survey answers like labor, like rent, and now it's insurance, at least at the top. So my question is, is this a new topic? In other words, is there any historical expertise that you know that this has been part of their complaint process, or is this somewhat of a new topic, or is it hard to tell because you've been referring?

COMMISSIONER LEVINE: Well, yeah, I mean, we've been referring. I mean, typically our consumer protection law is consumer-consumer rather than business-to-business, so typically we would not be getting that type of complaint.

COUNCIL MEMBER BREWER: Okay.

COMMISSIONER LEVINE: But I want to be— you know, I've heard from the same folks all of you have, from Yemeni American Merchant Association, from Hospitality Alliance. I've heard from folks in affordable housing world, right, that this is the biggest threat to the expansion of affordable housing in New York City. So these concerns are not new to us. Our expertise is something we are working on.

COUNCIL MEMBER BREWER: Okay. And again, we're all trying to help consumers. That's the bottom line. So I'm not sure that giving information helps consumers. I don't know what the state should be doing to help consumers. How do we— this is beyond the bill, but how do we help consumers? I don't know that anything on a local level that we do could help consumers. I don't know.

COMMISSIONER LEVINE: I think the Speaker's point was very well taken, which is that there is no transparency around this industry. Again, I have experienced this firsthand. You talked about your constituent who saw a massive increase, no explanation. You get seven letters in the mail. I'm just thinking of my health insurance now. Every time I have a visit, I get seven different letters in the mail, and none of them say what I'm actually being charged for. I'm the Commissioner of Consumer and Worker Protection. I have trouble tracking my own healthcare bills and, and what are being covered by insurance. So this is absolutely an area where I think the insurance companies don't feel accountable to their ratepayers. I think the insurance companies don't feel they're going to face severe consequences for mistreating their consumers. And I think at the end of the day, the best way of helping consumers is to make sure that the insurance companies know that they're going to be accountable for mistreating them.

COUNCIL MEMBER BREWER: But I think what you're also saying is that your agency doesn't really have the ability to control the insurance insurance prices, right? That's sort of the bottom line.

COMMISSIONER LEVINE: That is exactly right. We do not have the authority to control insurance prices.

COUNCIL MEMBER BREWER: So the state does?

COMMISSIONER LEVINE: Correct.

COUNCIL MEMBER BREWER: Okay. And have we seen— I mean, I have a resolution, as you know, that says do something about helping, doesn't say controlling, because all I— the bills that I see are coming up with some kind of a fund. I don't know that it's passed to help some of the affordable units. That's what my resolution calls for. But do you have any suggestions, even though you're not the commissioner or state financial services as to what could control these agencies?

COMMISSIONER LEVINE: State government.

COUNCIL MEMBER BREWER: The state needs to listen to the people of New York City— excuse me, of the people throughout the state, and not just in the city, who are crying out about the skyrocketing cost of— it's not a Democratic issue, a Republican issue. It's not an upstate issue or downstate issue. All New Yorkers are facing this, and the state has the authority to approve or not approve rates. It's very similar what we were talking about in the utility context. And we need a state that places the interests of consumers first, not lining the pockets of insurance executives.

COUNCIL MEMBER BREWER: Okay. And I know that you have— the administration has folks in Albany doing lobbying. And I was a Washington person for Dinkins, so I'm very familiar with that role. So are we helping our legislative persons in Albany to suggest that they do this, or what are we doing to get Albany to focus? I guess that's what I’m saying.

COMMISSIONER LEVINE: I'm happy to have those conversations with SLA. I've not had them yet. I will tell you, Council Member, my concern is that for every lobbyist the City of New York has, the insurance companies have 10.

COUNCIL MEMBER BREWER: Right. No, I understand that.

COMMISSIONER LEVINE: And that's part of the reason we're in this affordability crisis.

COUNCIL MEMBER BREWER: No, I- you know, certainly for the auto insurance, and I suppose also for regular insurance. But we do need to have that kind of discussion.

COMMISSIONER LEVINE: Absolutely.

COUNCIL MEMBER BREWER: But you, your agency cannot control insurance Insurance prices.

COMMISSIONER LEVINE: Correct.

COUNCIL MEMBER BREWER: Thank you.

SPEAKER MENIN: I'm sorry, I just want to interject. Well, you can't control pricing, but you can control price transparency. It was the exact same thing we had with healthcare. We as a city couldn't regulate what hospitals were charging, but we could regulate the disclosure of the pricing. That's how we did the Healthcare Accountability Office, which then had hospitals have to disclose the price of every medical procedure. It's price transparency that I'm focused on with this new office where you absolutely have the legal power to do that.

COMMISSIONER LEVINE: I think that is accurate. And I think the outcome you mentioned earlier too, Madam Speaker, on the Office of Healthcare Accountability as it related to new plans the city was able to offer, new insurance plans able to offer, I think is— and maybe another outcome we can try to work towards as we— if we engage in a study or consumer education as well.

SPEAKER MENIN: As a result of the Healthcare Accountability Office that we created, The city has now saved $1 billion due to the new Emblem Plan. So that is one unbelievable result we got from that. And right now, the City of New York is spending approximately $11 billion on healthcare in the New York City budget. So by lowering that Emblem, the price that we're paying for Emblem, it's a huge savings.

CHAIRPERSON EPSTEIN: And Commissioner, just to— I'm clear. So if you did this, if we move forward to this and you were able to, you could say, hey, these are the five insurance companies that are providing whatever blank insurance. These are the rates. These are the comparisons. So you could potentially give consumers information that could allow them to have better information in the market. Even though we couldn't control those prices, we could educate consumers around those options, whether it's businesses or homeowners. That would allow them to maybe have some additional leverage in that conversation.

COMMISSIONER LEVINE: I think that is the case, Chair. I think my only— and this is why I was— I think I agreed with everything that the Speaker said as well. I want to make sure— I mean, sometimes these rates are set individually based on individual circumstances, right? They're going to look at a specific homeowner's insurance, going to look at a specific property. So, and I don't know, Andy, if you want to add anything to this, but we'd have to figure out how to to do it. And there might be circumstances, as there is in the healthcare context, where it's hard to have pricing transparency. But whether there's— to the question of whether there's more we can do to make insurance prices transparent, of course, absolutely the answer is yes. I don't know, Andy, if you want to add to that.

ASSOCIATE GENERAL COUNSEL SCHWENK: No, I think that's exactly right, Commissioner. And I think, you know, it's important to add that DFS, while they may not be doing a great job of informing consumers in this space- and we've talked about a lot of the issues there. We have seen past examples where the state has come in and told DFS in response to emergencies such as Hurricane Sandy was one of the ones we looked at and said, you need to mediate these insurance claims. We've got a big problem here. We've got all these asks. Insurance companies, you're laying down on the job. We need a mediation process. You're paying for it. If you're denying a claim, we want that mediation to follow up on it. And so I think that's an example where the state does have the ability to step in to take action in some of these spaces as well.

CHAIRPERSON EPSTEIN: Yeah, but don't you think the city could play a vital role? You know, the next Hurricane Sandy, or that, you know, the next— you know, as a Speaker who had to live through 9/11 and her business issues and the insurance issues and the failures, the insurance companies— the city could have used its bully pulpit. The mayor could use his bully pulpit to kind of highlight the problems that were going on to force or to encourage or support whatever DFS is doing. I think there's a real vital role the city could play there in exactly the example you gave.

COMMISSIONER LEVINE: I think that makes sense. I think, you know, the one thing I'd want to be sure we keep in mind is that I don't want the pressure, candidly, to be off DFS. They do have the most direct tools to actually lower costs. Now, that is not saying the city should not be involved. That is not saying the city shouldn't help. We— I believe we can. But I also don't want DFS to say, well, New York City's taking care of it, when actually DFS is the agency with the regulatory licensing and enforcement authority and expertise to actually lower rates and make the state more affordable.

SPEAKER MENIN: But that's precisely why the city should act, because DFS isn't lowering the cost-

COMMISSIONER LEVINE: [interposing] Yeah, I agree.

SPEAKER MENIN: So we have a failure of a state agency for years to do this, and that is why it's incumbent on the city to force them to act. And I think DCWP is perfectly poised with this bill to play that critical role.

COMMISSIONER LEVINE: Again, anything we can do to put pressure on DFS and help consumers in New York City, we would be keen to do.

CHAIRPERSON EPSTEIN: Ms. Yeung, I just want to talk about the utility advocate too, because you mentioned there would be a resource issue. I think this falls in that same- thank you, Speaker- in the same context, because we've talked a lot about affordability, obviously utilities, we saw that huge Con Ed rate increase in January that really, you know, we're going to see more people having their utilities shut off, and kind of what kind of costs do you think that you're going to need? What kind of staffing do you need? And what role could you play if this legislation passed?

CHIEF CLIMATE OFFICER YEUNG: Thank you so much for that question, Chair. We in our fiscal impact statement call for four new staff to be able to fulfill the responsibilities laid out in the legislation. And I should also mention, you know, we are in the process of appointing a new public utility advocate, so we're really excited for that and to be able to use that position to really expand the city's utility engagement and advocacy to protect New Yorkers.

CHAIRPERSON EPSTEIN: And in the same context, the Public Service Commission is the one who's going to oversee rate increases. Obviously, the city can't control that, but you feel like there's a role that we could play to, you know, through the mayor's office and your office to be able to have influence over what those rate increases might look like and how that, you know, might impact regular New Yorkers?

CHIEF CLIMATE OFFICER YEUNG: Yeah, most certainly. Our office, the Mayor's Office of Climate and Environmental Justice, has historically represented the city's interest in the rate cases. We've been a party to, you know, many, many rate cases and many energy regulatory proceedings before the Public Service Commission. In these proceedings, we call for strengthening consumer protections, strengthening energy affordability programs, strengthening things like language access so that New Yorkers can get customer service in the languages they speak, and making sure that we're integrating equity into the utility, you know, decision-making at the state level. And so we're really excited for a new utility advocate to come into our administration and hold utility companies accountable. These are private utility companies, and there is a huge role that we're really excited to play, particularly in front of our energy regulators.

CHAIRPERSON EPSTEIN: And how do you think this would interplay with DCWP? Obviously, a lot of these consumer issues go back and forth.

CHIEF CLIMATE OFFICER YEUNG: Of course. Yeah. I appreciate that question too. You know, our office as a mayor's office works across the city with many, many agencies, including DCWP, including our Health Department, you know, and our Department of- DCAS. There's a lot of ways that energy issues come into play when it comes to city agency missions and operations. And so part of our role is both to represent New York City operational needs on energy, but also and more importantly, New Yorkers' needs. And so I'm really excited for the Office of Utility Advocate to be, you know, to be channeling the needs and voices of New Yorkers in our proceedings in front of the Public Service Commission.

CHAIRPERSON EPSTEIN: Well, I'm really happy to hear that. So you said four additional lines. You think that there's commitment within the administration to provide that additional staffing lines for you?

CHIEF CLIMATE OFFICER YEUNG: As you know, we're still in the middle of finalizing our budget, so excited to talk about what that looks like and even more excited for the utility advocate appointment.

CHAIRPERSON EPSTEIN: And can you tell us what you would— procedurally, what would this role— what would this office do? How would you see that interacting with regular New Yorkers? How would that impact what was happening at the Public Service Commission for future rate increases? What proactive role would you be playing?

CHIEF CLIMATE OFFICER YEUNG: Sure. You know, this administration is really committed to holding corporations accountable, and that includes our private utility companies. We don't have choices when we live here. You have to get electricity from Con Edison, and you either, depending on your location, have to get your gas from Con Edison or

National Grid. And so the utility advocate role is really going to be representing the interests and needs of New Yorkers. I mentioned a couple of statistics in my testimony about energy insecurity and energy cost burden. When 42 percent of New Yorkers have had their utility— have fallen behind on utility payments in the last five years, that's a really major issue. And so, you know, part of what we do is bringing these issues before the Public Service Commission and secure commitments and wins that are baked into the requirements for the utility companies every couple of years when they go before the state for the new rate cases. And so this office is going to be doubling down on what it looks like to keep our energy bills affordable, to expand our energy affordability programs. This is something that the Public Service Commission can directly require of our utility companies, making sure that, you know, as we're hearing different issues across when we're talking to New Yorkers, that we're then bringing that back into our testimony and into our rate case proceedings.

CHAIRPERSON EPSTEIN: Yeah, thank you for doing that in some way. Oh, I want to acknowledge

Council Member Banks and Council Member Ossé in this committee. In some ways, what you're saying really is even though we don't have authority here because the Public Service Commission is the one who has authority, you would play a proactive role ensuring that New Yorkers who might have insurance issues, affordability issues around utilities would have a place to turn to to get that support. You could be issuing your reports. You could talk about affordability. You could be a place where people could come to kind of get that information that could advance these affordability goals in relationship to utilities.

CHIEF CLIMATE OFFICER YEUNG: Absolutely. And that's part of the reason why our office has initiated an energy affordability study. This is becoming an increasing issue for New Yorkers-

CHAIRPERSON EPSTEIN: [interposing] Right.

CHIEF CLIMATE OFFICER YEUNG: And we want to better understand what the needs are, who is facing disproportionate energy insecurity in our city, and how do we make sure those needs are actually addressed through the energy regulatory proceedings.

CHAIRPERSON EPSTEIN: Commissioner, I wanted to turn back to you, because I just feel like this conversation- the conversation we just had, feels very familiar to me.

COMMISSIONER LEVINE: I thought you were going to, Chair.

CHAIRPERSON EPSTEIN: So kind of- I view this really in that same bucket, and I'm having a hard time not seeing this direct overlap here of your role in relationship to insurance, in some ways the same role that we were talking about in relationship to utilities. And I hear your concern about this and commitment to it, and it sounds like we're going to get there together. But don't you see that this is in the direct same role that we're talking about utilities that we can see in insurance and you to play that vital role?

COMMISSIONER LEVINE: No, I think there are absolutely parallels here. I think we'd all agree there's more PSC could do for state ratepayers and there's more that DFS could do for city insurance payers, folks who are overpaying for insurance. So again, I- yeah, no, we'd be very keen to support this. We just want to make sure that at the end of the day, the agency accountable for setting rates for insurance companies is DFS. The agency accountable for licensing them is DFS. The agency accountable for evaluating claims denials is DFS. But I think there is a role for elevating the concerns of New Yorkers. And I think that's where we want to steer the legislation to the extent we can.

CHIEF OF STAFF ORTIZ: And Chair, if I could add as well, DFS is an agency with about 1,400 staff, a budget of $545 million. To the Commissioner's point, has direct responsibility over these issues. So I think we totally agree that this bill and this office can complement initiatives from the city to drive affordability. But I want to make sure too that the expectations are set for folks, and to the extent that insurance companies should be transparent, city government should be transparent. What can we deliver for folks? We are not going to be able to mediate complaints necessarily the same way that DFS could potentially, based on their past experience, or issue enforcement actions the same way DFS can. I think we should be clear-eyed with that when we communicate to consumers about what results they can get from us. We can't— to Councilmember

Brewer's point, we can't control prices for insurance companies either. So I want to make sure consumers understand that, because where we can jump in is this educational level, ability to study this industry a little bit more. And I think if we can achieve those nuances in the bill, then I think we can have a successful bill.

CHAIRPERSON EPSTEIN: Great. Did you want to add something? No? Okay. Can I turn to 286 around cryptocurrency? You know, Council Member Louis was here earlier, but I just want to— you're worried about your policy expertise here, and you here seemed to be regulate- deferring to DFS. And I'm— I just want to understand, you know, obviously we're seeing, you know, New Yorkers being scammed of hundreds of millions of dollars, billions across the country. And obviously this is something that, you know, none of us want to see continue. So it does seem like while DFS may have some regulatory power, you know, especially these— you know, you and I talked about these ATMs themselves. You know, they're just— they're just— it's just awful. Right. And, you know, isn't there something we could be doing to be like, you know, hey, let's shine a spotlight on this problem and maybe we can get the state to regulate more. Maybe someday we'll have a Congress that can actually do something. But isn't it really beholden upon us now, the city in this moment, to say people are being harmed and we need to step in?

COMMISSIONER LEVINE: Yeah, I think that's right. Part of it, Chair, I think is how you think about cryptocurrency generally. I think there are major problems with crypto even in regulated sectors, especially about preying on young people, especially young men, urging them to make extremely risky investments. That's not a scam necessarily. That really calls out for effective state and federal regulation where we don't have authority. That said, the kind of issues you and I have talked about, whether it's Bitcoin ATMs, scam wallets that people can't access, I absolutely think there's more education we can and should do around this. You know, I think we were candid in the response to the bill that we don't currently have this expertise, but we can develop that expertise. And I think we have a really good track record on outreach and education, and I think that's something that we could contribute meaningfully to protecting consumers. I think you want to add something, Andy?

ASSOCIATE GENERAL COUNSEL SCHWENK: Yeah, and just to add, Chair, you know, I think anytime we're talking about an issue where another state or city agency does regulate, we of course want to work very closely with that other entity to ensure no consumer confusion, and to ensure we're really providing outreach and services for the consumer in the best way possible. And, you know, this is an example where DFS does have tip sheets and information available on crypto scams. And so we just want to be sure that we are crafting an approach that is totally consistent with DFS and not adding any confusion to the, to the sector.

CHAIRPERSON EPSTEIN: Yeah, I think we're all on the same page, but I do— I think- I think the sponsor, you know, obviously is trying to understand, you know, what our role could be to really protect New Yorkers who are being scammed. And it does seem like there's some shared vision on kind of that role. Do you think there's a staffing cost associated that you're concerned around on this one?

COMMISSIONER LEVINE: Yeah, I can respond to that. And just, I want to make a brief point to build on what my colleagues said. Yeah, it's- I mean, it's fairly limited. We think we would need two community coordinators and about $120,000 for materials to get the word out. You know, the one thing I would add, which I think would be a way that could not necessarily require changes to the bill, but an implementation— in our research for this hearing, you know, the Brooklyn DA has created a Virtual Currency Unit to handle criminal prosecutions of these scams. We understand there may be other criminal enforcers. So one thing I think the positive that we could do is if we get complaints in the door, that really sound in criminal fraud rather than sort of regulatory issues, we can also refer them to criminal enforcers.

CHAIRPERSON EPSTEIN: Yeah, so I think there's a real role that you could do to kind of make those connections for folks, because when someone calls this city, they don't know, they don't understand-

COMMISSIONER LEVINE: [interposing] Certainly.

CHAIRPERSON EPSTEIN: who to talk to or what to talk to. What they do know is they can call 311-

COMMISSIONER LEVINE: [interposing] Yep.

CHAIRPERSON EPSTEIN: and in some ways the city is supposed to help.

COMMISSIONER LEVINE: Yep.

CHAIRPERSON EPSTEIN: So, you know, I think there's a real role for you all to do.

COMMISSIONER LEVINE: Yep.

CHAIRPERSON EPSTEIN: Thank— I want to acknowledge, Council Member Aldebol has joined us as well. So on this Bill 837- so you haven't- you haven't had complaints around kind of these Hajj scams at all?

COMMISSIONER LEVINE: I've had— I'm sorry to interrupt.

CHAIRPERSON EPSTEIN: Yeah.

COMMISSIONER LEVINE: We've had two complaints since 2021.

CHAIRPERSON EPSTEIN: And do you think it's because people aren't being scammed, or you think there's people just don't know about that you're- like, there's a way to connect to you?

COMMISSIONER LEVINE: I think people don't know, and I think we have concerns about these scams. We want to hear from stakeholders— excuse me, stakeholders and learn more about these scams. And we'd be very pleased to educate ourselves and be more aggressive in making sure we're responding to consumer concerns.

CHAIRPERSON EPSTEIN: So do you want to talk to the— I mean, I'm happy to make sure the sponsor connects with you all. I don't know if you've spoken to the sponsor of the bill yet.

COMMISSIONER LEVINE: I don't know if our staffs— I have not spoken, but we certainly— we've not had a ton of time.

CHAIRPERSON EPSTEIN: Yeah.

COMMISSIONER LEVINE: But we're certainly happy to do that.

CHAIRPERSON EPSTEIN: Okay, because, you know, obviously he's raising this for a reason.

COMMISSIONER LEVINE: Yeah, of course.

CHAIRPERSON EPSTEIN: You know? You know, and maybe it's a language issue. Maybe the people, you know-

COMMISSIONER LEVINE: We can work around language issues. We really take pride in having materials and folks in our agency who speak more— how many languages do we speak?

CHIEF OF STAFF ORTIZ: I think across the agency we speak over 40 languages, and I think about half of the agency almost has a second language capacity.

CHAIRPERSON EPSTEIN: Yeah.

COMMISSIONER LEVINE: We can make this work, I'm confident.

CHAIRPERSON EPSTEIN: Great. And there's— and for 847, you said you wanted to hear more from stakeholders around the tourism issue. I'm wondering, you know, obviously we've all been to like Lower Manhattan and seen people try to scam you for money for getting on some ferry that doesn't exist to some island that doesn't exist. Obviously tourism, is a vital part of New York, and we don't want someone to feel that they're being scammed whether they're in Times Square or at Battery Park or anywhere in my district. So, you know, what are you looking to hear from stakeholders about in relationship to this tourism issue and scams?

COMMISSIONER LEVINE: You're talking about 847?

CHAIRPERSON EPSTEIN: 847, yeah.

COMMISSIONER LEVINE: Well, you know, I think the main issue we wanted to flag candidly is that implementing this bill in time for the World Cup, I don't think is realistic. But we've been very active on addressing tourist-related scams. I stood with you when we— and Council Member Brewer— when we announced the hotel junk fee rule. We've done other work over the last few months and really over the last many years to address scams related to tourists. We get a lot of complaints we think are from tourists, whether it's around pedicabs or horse-drawn carriages. So I think we want to be sure we're reaching folks in the right way. I can tell you one issue we've had in the past is that tourists will file complaints, we'll follow up to get additional information, but by then they've left the city and they don't respond, which I'm sympathetic to. But so that's sometimes a gap in our ability to respond effectively. But I think generally we just want to figure out what's the best way to reach tourists. The sort of day-to-day outreach events, we're aiming to do two outreach events a day. We’re reaching New Yorkers. How do we reach the people visiting our city? That's what we're trying to think about.

CHIEF OF STAFF ORTIZ: Yeah, we've connected, for example, with the Hotel Association of New York City, New York City Tourism. We've worked very closely with Council Member Brewer on addressing pedicab issues around Central Park. We actively participate in mayoral task forces around enforcement of these issues too— pedicabs, ticket sellers, as you were mentioning, Chair. I think, you know, in terms of outreach, I think we're very committed to making sure that we develop resources for tourists as well. And then I think we are— there's always an open— we're always open to conversations about regulatory changes that can happen to address issues in these industries, like example, pedicabs and ticket sellers. I know there are a lot of bills out there to target scams that might be arising there.

CHAIRPERSON EPSTEIN: Yeah, I'll turn it back. Well, actually, Council Member Ossé, I know Council Member Brewer will come back for a second and you know.

COUNCIL MEMBER OSSÉ: Commissioner, how are you?

COMMISSIONER LEVINE: Good to see you, Council Member.

COUNCIL MEMBER OSSÉ: Nice to see you and team. I know that this has maybe been touched on, but we all know in this room that Con Ed bills are extremely expensive and high, and they are obviously able to charge exorbitant prices because of their monopoly on the city's utilities. Yet whenever there is an extreme weather outage, or our neighborhoods are always at risk due to blackouts because of the weather, you know, these— this blackout that we had in this past January in my district due to Con Ed not updating some of their infrastructure, many of my constituents were not even able to get reimbursements for their losses. If Intro 285 passes, what are some proposed recommendations the Office of the Utility Advocate would have to make our utilities more affordable?

CHIEF CLIMATE OFFICER YEUNG: I'll take this one, Commissioner. Hi, Council Member, I'm Louise Yeung. I'm the Chief Climate Officer for New York City and the head of the Office of Climate and

Environmental Justice. Among the many functions that we play in citywide energy policy, we represent the city in energy regulatory proceedings before the state and the federal government with FERC. So, you know, when it comes to utility shutoffs, this is something that we're very, very focused on, in part because of the shutoffs that happened this— or the blackouts that happened this winter, but also as we're thinking about coming into summer season. You know, this is a really big issue because 500 New Yorkers die each year of heat-related illness that are entirely preventable. And so, you know, I want to note that in past Con Ed rate cases, which our office has historically been a party to, to advocate for the needs of New Yorkers, we actually successfully advocated for stronger protections for electric utility shutoffs during extreme heat, where using the Department of Health data, we successfully got Con Edison to be to ban shutoffs the day before, the day of, and two days after any weather forecast that predicted 90 degrees or above, which is what's considered a heat wave. New rules at the state level actually weakened those protections. And so that's really frustrating to us. And that is why, as we are continuing to go before the Public Service Commission, which regulates all of the private utility companies, we will be advocating for strengthening those consumer protections for New York workers, particularly focused on shutoffs and making sure that in extreme weather, nobody is penalized for getting their utilities turned off if they have arrears or if for any reason whatsoever. This is a matter of life and safety. And so we are very active participants in that. Every couple of years, all the utilities come before the Public Service Commission for setting rates. And so that's one channel where we'll be making sure that those needs are very centered in our testimony and in our advocacy to the Public Service Commission.

COUNCIL MEMBER OSSÉ: I appreciate hearing that. And maybe for, I guess, just for an example in terms of how many of my constituents- what many of my constituents have experienced over this past winter is that, you know, during the blackout, they've had, you know, perishables that have spoiled, you know, some of their equipment has broken. And, you know, Con Ed has offered to reimburse folks for damages, as well as, you know, any items that, you know, were perishables. How would you all aid my constituents in getting some of that money back into their pockets? Yeah, I mean, and just to be clear, my understanding is that Con Ed really just reimburses you for $25. It's something very— it's a low threshold. Don't quote me on that one. I think it's a number, but-

COUNCIL MEMBER OSSÉ: [interposing] I think it's up to $250. It could be-

CHIEF CLIMATE OFFICER YEUNG: [interposing] Yeah, it's a certain threshold depending on how long the outage is. And so, you know, this is something that's really important. And the Public Service Commission holds a lot of energy regulatory proceedings. It's not just during the rate case process-

COUNCIL MEMBER OSSÉ: [interposing] Sure.

CHIEF CLIMATE OFFICER YEUNG: but throughout the year. And so this is an issue we've actually been studying. We want to be able to more strongly advocate for expanded protections with shutoffs. And, you know, in my testimony, I noted that 3.5 million New Yorkers have fallen behind on utility payments and 1.9 million New Yorkers workers in the past five years have had their utilities shut off. So this is not a— it's not a unique issue to your constituents. And I know it hit your district really hard during the cold snap this winter, but it's an issue that's really affecting many, many New Yorkers. And so, you know, we are committed to holding our private utility companies accountable. I mentioned earlier to Chair Epstein and the committee that we are also excited to be appointing a new utility advocate to really lead the charge on that work.

COUNCIL MEMBER OSSÉ: That’s great.

CHIEF CLIMATE OFFICER YEUNG: And so really excited to work with your office on designing what that looks like and making sure that we can take care of our constituents.

COUNCIL MEMBER OSSÉ: Absolutely. Chair, can I ask one more question? As climate change continues to bring more extreme weather to our city, it is important that our power grid and infrastructure can withstand this environment and ensure our communities do not have to face another blackout like the one that we saw in January. How does the Office of the Utility Advocate hold utility companies like Con Edison accountable to ensure that their infrastructure is weatherproof, you know, more specifically for any snowstorms or extreme heat that is bound to come in future years?

CHIEF CLIMATE OFFICER YEUNG: That is a great question and something that we think about all the time. And it's unconscionable that we have a grid that's unreliable. This is something that's a necessity, not a luxury. And so through these energy regulatory proceedings, we actually recently submitted a testimony about the reliability of our energy grid. And this is an issue that through the rate case process, we also push the utility companies to really explain what they are doing to strengthen the resiliency of their grid and making sure that as we have more and more heat waves and hurricanes and sea level rise, that our infrastructure is actually prepared. There's lots of things that we're doing at the city level, but we need to also make sure that our utility companies are making those real investments in their systems to make sure they're modernized and able to withstand all those things that you mentioned.

COUNCIL MEMBER OSSÉ: Thank you. I appreciate hearing that. Do we like these bills? Are we like- we're still figuring it out?

CHIEF CLIMATE OFFICER YEUNG: Well, I can only speak for Intro 285. We support the intent of the legislation. We submitted a fiscal impact statement. We would need four additional staff people to fulfill-

COUNCIL MEMBER OSSÉ: [interposing] Right.

CHIEF CLIMATE OFFICER YEUNG: the roles and responsibilities in the bill and $1.37 million to support that ongoing operations.

COUNCIL MEMBER OSSÉ: Alright. Thank you so much. Thank you, Chair.

CHIEF CLIMATE OFFICER YEUNG: Thank you, Council Member.

CHAIRPERSON EPSTEIN: Thank you. And let me turn to Council Member Brewer.

COUNCIL MEMBER BREWER: I just want to clear the— tourists will be ripped off. Let's just be clear. So without sugarcoating it. When I get in a pedicab to go to an event, because I do at Central Park, absolutely-

CHAIRPERSON EPSTEIN: [interposing] Outside Manhattan.

COUNCIL MEMBER BREWER: because I'm late and I have to get to the Nuremberg bandshell [sic]. They— I said— they gave me a price. I say hell no. And then somebody calls out, it's Gale, give her the price she wants. So I love it.

COMMISSIONER LEVINE: That is, that is surveillance pricing.

COUNCIL MEMBER BREWER: I will be glad to take on. Yes. I get the price that is legal, and then I say I wrote the bill, so you better damn well give me the price I want. No, I have a question about- question about the Con Ed situation, because the public knows to call the Public Service Commission. I have tons of complaints. We work with PSC etcetera. I have whole buildings, Mitchell-Lamas and I think others do that have passed bills. They're not cutting you off, but they make you pay. So I don't really understand what the city can do because all people want is- it's not just accountability, they want lower rates or they want to understand why the rates are so high. So maybe you can be explaining to the public why it's so high, but what else can you do at the local level? I am concerned. I happen to think that it's really great to work with the state on some of these issues. Maybe others feel differently. So what exactly can you do to help lower the rates, if anything? What can a person in your situation do to help with that, or is that just advocating?

CHIEF CLIMATE OFFICER YEUNG: So one of the things that most New Yorkers don't know is that there are these rate cases where the utility company goes before the commission, and there is actually a process for commenting on it. It is very notoriously challenging to be a party to the rate case. It requires a significant amount of technical expertise. It requires a lot of time and effort. And so when we appoint the new public utility advocate, we're really excited to be really rethinking the way that we're engaging New Yorkers and bringing them into that process to democratize it and to make it more transparent and to make sure people even understand that there is such a process. And so all the things that you're saying, we totally agree with. We want to make sure that we're doing that education, that we're really explaining to people how this process works, and more importantly, that when we're submitting testimony and negotiating— being a party to the rate case means you're actually negotiating with the utility company. And so that process takes about a year for each rate case, and that's where we can really push them on why are they requesting rate increases, and they have to justify every single amount of increase. We will push them on their return on equity. How much profit are they giving to their shareholders? These are private utility companies that are investor-owned, so we'll be focusing on that in our testimony. We'll be pushing them on what kind of affordability programs they are offering to ratepayers, making sure that we can expand them so that anybody who needs support to pay their utility bills can access that support. I mean, so these are the kinds of issues that we bring forward to the rate cases and that we ourselves invest a lot of resources in developing expert testimony, calling upon expert witnesses, and really making as much as we can an airtight case so that when the Public Service Commission is deliberating what kind of rate increases they're approving, they understand the needs of New Yorkers and they understand how their— our testimony can inform their final decision.

COUNCIL MEMBER BREWER: Okay, maybe I'm just jaded, but I don't know if one or two people can do all that. But I hear you. Thank you.

CHIEF CLIMATE OFFICER YEUNG: Well, we're asking for four.

COUNCIL MEMBER BREWER: I'm just saying we've heard all this before. I don't mean to be jaded, but we have. Thank you.

CHAIRPERSON EPSTEIN: Thank you, Council Member Brewer. I think for this panel, I think we are done. So thank you all for your testimony. I look forward to working- continuing working with you and hearing if any edits you have on these bills that we've—

COMMISSIONER LEVINE: [interposing] We’re working on it right now, Chair.

CHAIRPERSON EPSTEIN: Okay.

COMMISSIONER LEVINE: Thank you, Chair.

CHIEF CLIMATE OFFICER YEUNG: Thank you so much, Chair.

CHAIRPERSON EPSTEIN: Thank you all for being here. And we're gonna go to the— we have one panel, which is amazing. So let's- so we're going to start public testimony. This is a formal government proceeding, so, you know, people should be mindful that we're doing that. If you haven't signed up to testify and you wish to testify, please sign up in the back. They all have just two minutes to testify. If you haven't submitted written testimony, please do. The people on the panel is Lauren Aquino, Linda Baran— sorry, Linda— Anthony Peña, and Samuel Elento? Eluto, Okay, sorry. Sorry, I couldn't get the handwriting. Okay, and so the four people I called, they can come join us. It sounds like we might have a potential 5th person. Yeah, I think— do you want to testify, too? Okay, and we can just get you to fill out the form. Okay, but come on up to the table and we can— you're welcome. And we can go- start to my right and maybe introduce yourself. So- and then we have to— I know we have testimony coming around. Go ahead.

LINDA BARAN: Thank you, Chair Epstein and members of the committee, for allowing me to testify today. My name is Linda Baran. I'm the President and CEO of the Staten Island Chamber of Commerce. We appreciate the intent behind this bill and support efforts to bring more transparency and understanding to the insurance market, especially as small businesses continue to face rising premiums and fewer options. For small businesses, insurance is not a simple or standardized product. It looks different depending on the business and what they need. It is also important to recognize the role of brokers. For most small businesses, their broker is their main point of contact, not the insurance company or the regulator. They help them navigate a very complex system. We would encourage the brokers to be specifically included in the language of this bill, particularly in sections related to consultation and reporting to ensure that real-world experience helps inform the work of this office. While the city does not have direct authority over insurance regulation, which is handled at the state level, it can still play a helpful role in making the system easier for small businesses to navigate. At the same time, we would encourage that this effort be designed to be complementary, not duplicate existing services. A focus on coordination and efficiency will be key to making it add value without creating more confusion. We also encourage the city to use the office as an opportunity to take a closer look at what's driving insurance costs. Rates are set at the state level, so this is not just about pricing, but about the broader environment that impacts these costs. The legal environment and the cost of claims play a significant role in what businesses are paying. As the state continues to look at reforms in these areas, those conversations are directly connected to what small businesses are experiencing. At the same time, policy decisions and regulatory requirements can directly impact coverage and costs, and identifying where city policy may be contributing to these pressures and where adjustments could help stabilize costs would be a meaningful step forward. The value of this office will ultimately depend on its ability to not only inform, but to identify and elevate the factors driving costs and help inform policy decisions that impact small businesses. Finally, as the bill contemplates an assistance office, we would encourage that it clearly apply not only to individual consumers, but also to small businesses who face many of the same challenges, but often navigate more complex insurance needs. Small businesses are already operating in a high-cost environment, and insurance is becoming harder to manage. Efforts like this can be helpful if they stay focused and practical. Thank you.

CHAIRPERSON EPSTEIN: Thank you. Go ahead, ma'am.

LAUREN AQUINO: Good morning. My name is Lauren Aquino. I am a commercial insurance broker and third-generation owner of Alpha Omega Coverage Corp, an independent agency on Staten Island. Like most members of the Staten Island Chamber, both my clients and my agency have 10 or fewer employees, so I'm speaking from direct experience with the businesses most affected by rising insurance costs. I want to say— start by saying that I support the intent behind the Office of Insurance Accountability. My focus is on how this will function in practice. The bill calls for simplified, publicly accessible guidance on insurance. However, in the commercial space, insurance is highly individualized. Pricing and coverage depend on factors like industry, payroll, claims history, and contractual requirements. Two businesses that appear similar can have very different risk profiles and consequently very different insurance needs. For example, small business owners can purchase insurance online and unintentionally misclassify their operations. So a residential daycare provider might select a daycare center policy because they think it's the same thing, but they're actually underwritten extremely differently. That can lead to coverage gaps or even denied claims. Guidance that oversimplifies insurance can risk creating a false sense of clarity and cause costly mistakes. That complexity is also why most small businesses don't navigate the system alone. The bill frames the system as consumers and insurance companies, but that omits how it functions in practice. Most small businesses rely on licensed brokers. Brokers help explain coverage, access the market, and advocate for claims. For example, in construction, insurance requirements are often highly specific and contract-driven. Policies may go through multiple rounds of review by third-party risk managers, and brokers are the ones that negotiate terms mid-policy to maintain compliance. Incorporating broker input would be critical to ensure that the office reflects how the market operates. And affordability is not just a market issue. It is also shaped by policy decisions. In addition, insurance requirements tied to New York

City licensing and regulation create an opportunity for the office to evaluate whether they align with actual risk. For example, Business Integrity Commission licenses could incorporate tiered insurance requirements based on gross vehicle weight that align with currently tiered emissions regulations. The office also has the opportunity to leverage pooled risks to negotiate better pricing for target markets. In the childcare sector, insurance costs are a significant barrier, particularly for smaller residential providers. As the city expands universal childcare, targeted support and programs could help ensure those providers remain accessible while maintaining appropriate coverage.

CHAIRPERSON EPSTEIN: Thank you. Go ahead.

ANTHONY PENA: Good afternoon, Chairman Epstein and members of this committee. My name is Anthony Pena. I am the President of the National Supermarket Association, also a Key Food Store operator. We represent over 600 independent supermarkets across New York City and the downstate region, businesses that employ more than 15,000 New Yorkers and serve as lifelines in their communities. Our members are small family-owned operators, many in underserved neighborhoods where larger chains no longer invest. Every day they provide fresh food, local jobs, and stability where it's needed the most. But today, that same— those same businesses are under real pressure because the insurance market, it's breaking them. General liability premiums have surged, many up to— from 50 to about 150 percent in just a few years. Not because they're becoming riskier, but because the system is failing them. In some areas, especially in areas like the Bronx, coverage is being denied altogether. In other— in other areas, premiums are so high that we're deciding to have to close the stores. Let me be clear, this is not just a business issue. This is a food access issue. This is a community survival issue. As you may be aware, many businesses have what's called triple net leases, which means that the building insurance costs ultimately gets passed down to the lessors. When independent supermarkets close, neighborhoods lose access to fresh, affordable food, jobs disappear, and communities that are already underserved fall even further behind. Right now, business owners are navigating an insurance system that is complex and unaccountable. There's no central place in New York City where their challenges are tracked, understood, or addressed. That's why Intro 685 matters. Creating an Office of Insurance Accountability gives small businesses a voice, brings transparency to this market, and begins to level the playing field. For our members, this is not policy, it's survival. On behalf of the National Supermarket Association, I urge you guys to consider passing 685, and thank you for your time, your leadership.

CHAIRPERSON EPSTEIN: Thank you.

SAMUEL ELUTO: Hi, thank you, Chair Epstein. Thank you for the city council members for being here today. My name is Samuel Eluto. I'm with the Building Trade Employers Association of New York. So we're all the union contractors of New York. We really appreciate Intro 685. I just want to speak for one moment that hasn't been discussed about, which is construction insurance. It's very expensive in New York, and it's one of the highest cost points for building in New York. I know specifically that Council Member Brewer was concerned about the insurance for her co-ops. One of the reasons why insurance for co-ops are so high is because the actual construction on co-ops and the repairs are so high that this spills over, making New York the most unaffordable state, and not only in- the most unaffordable place in the world actually to build, and it's very much so because of construction, or at least driven partially by construction insurance. I'm going to give you the full testimony, but just to hit the high points. You know, we really appreciate Intro 685. We just wanted to address the root cause of why insurance is so high, specifically in New York, which is the absolute liability issues facing our industry. The liability when there's an accident on a job site is so much higher in New York than anywhere else, not only again in New York, but on the planet in terms of what happens, which pushes all of our contractors out of businesses. It also spreads. It pushes us to more non-union. New York is rapidly increasing its non-union construction, and a big problem is because of this absolute liability, which means that contract businesses have to save on other parts of the construction process, pushing it to the non-union job sites. And any questions, any comments, any thoughts, I'd be more than happy to address.

CHAIRPERSON EPSTEIN: Great.

JOHN CROTTY: Thank you. I appreciate the ability to come here and tell our story today. My name's John Crotty, and I've started a while ago with a number of affordable housing developers something called the Milford Street Association. The Milford Street is a conglomeration of affordable housing borrowers here in New York, borrowers/developers/owners of affordable housing here in New York. We are the people who built and use money from the New York City Housing Development Corporation, HPD, and HFA. We have a number of buildings both in the association and work with everyone. And we went and created this insurance captive specifically for the purposes of dealing with the cost of insurance here in New York. And we spent about the last three years doing that. We've learned a number of things along the way. One of the things we were able to do that I wanted to share here specifically with you in this brief period of time was we're able to work with AI and get the whole New York State court database system, which has every single lawsuit on it brought by anybody registered here in New York State and any one of the courthouses on New York State. So we broke that down completely.

New York is the most litigious state in the union. There's over 1 million lawsuits. That is about double the highest of the next— of the second state. And happy to share these facts. We have a presentation I've shared with one or two of the members before, but happy to make sure you all get it. But what we did was we took that database of all the cases pending out there against all residential housing, and then we went to NYU. They have an institute over there called the Furman Institute Institute, which has every single affordable housing building in the city of New York, all the ones that have been financed by government in a variety of different capacities and programs, and we overlaid the court case data against the affordable housing addresses. This data has never been seen before. Frankly, it's never existed. And while each of the previous people testified, I felt their pain and I understand what they're saying to be true, but now we can quantify exactly what that means. And what we did was when we put that together, New York City has an affordable housing, you know, composition. There's 100— there's 200,000 residential buildings in New York City. 41,000 of them are affordable. Of the 41,000 that are affordable, there's 15,000 lawsuits. On the other 150,000, there's 12,000 lawsuits. The conjecture and sort of talking points about being sued more are all accurate, but now I can tell you exactly what that means specifically by building. And as we roll this out and the city starts looking for new insurance programs, I, you know, been working, trying to work with members of the council and others to sort of both highlight the statistical and data-driven results of where we are along with creating a better option for affordable housing in New York, which is absolutely pivotal if you care about affordable housing in a macro sense. And happy to- you know, I want to make sure you get the presentation, but what we have legislatively is what we call the unstoppable force, meaning the unmovable object. And that is the desire to produce affordable housing against the very tightly held trial lawyers bar up in Albany. And happy to answer any and all questions. I think you'd find the data illuminating if you had a chance.

CHAIRPERSON EPSTEIN: I want to see if any members have questions for this panel. Yeah, Council Member Brewer.

COUNCIL MEMBER BREWER: For John Crotty, so what is it that your organization can do to help the affordable housing? Obviously in Albany there are some bills. We have resolution in support of some of them. Jamal Bailey has one for funding. So what exactly do you suggest that we do?

JOHN CROTTY: I mean, the data drives the answer, and what the data says is that you have— I mean, affordable housing is based on the premise of charging lower rent for, you know, buildings, right? You know, if you move into this building, your rent will not be reflective of the market rent. Your expenses, however, are still market rate expenses. The financing and plans that exist at HPD and HDC take that into consideration and create a funding mechanism to fund that. That has been blown up by the increase of cost in insurance primarily. There's other cost drivers— inflation, and different things. But most of those are sort of accounted for. So this is a complex problem. It took years to get— decades to get here, and it's going to take a little bit to solve. Specifically, to answer your question, it's a two-step process. Process number one, New York City should invest in— and the governor already has given us a couple million bucks to do this. It's rolling out. It's relatively new. Many of you may not have heard of it, but the governor gave us a couple million bucks to start writing policies here in New York and aggregate that traffic onto a singular platform at Milford. Number two, between the data that we have that exists now, the current data-that's current data. The future data that will come in from the members participating, we need to modify the New York State laws to reflect the priority that we care more about affordable housing than we do about making lawyers rich. The only way to effectively do that though, when you change it in Albany, is to make sure that the change inures exactly back to the benefit of the affordable housing operators here in New York who you need to keep providing this housing. And so, Council Member Brewer, you know, aggregate the traffic on a platform, go to Albany and change the laws, and share those dividends back with housing to get the foot off of their throat. Otherwise, you're just going to have continued failure and obsolescence. Nobody is terribly sympathetic to the landlords, and there's good reason for that, but the numbers are what they are, and if you look at them, you can only come to one conclusion about the problem. I'm sure there's more than one way to solve it, but that is the most direct.

CHAIRPERSON EPSTEIN: And just for this panel, it does seem like from Staten Island, you were just concerned around the the bill? Are you concerned because the transparency, or just concerned- because I think what we're trying to do is try to make sure that people have more information and DCW plays a more active role in this insurance world.

LINDA BARAN: I understand that. I mean, I reached out to a couple of my member brokers, and that's why Lauren is here with me today. I think at the end of the day, you know, we want to make sure there's teeth in this agency, that what is created here. I think the intent is good, but, you know, from what I hear from everybody is just that the state regulates pricing. And again, it's- you know, how can you be effective? Like on these labor law issues, can we influence the state, you know, so construction doesn't cost so much money? And, you know, on some of these smaller issues, are there tactical things that we could do with the state, like she mentioned with

BIC, just to get things done? So I think our concern is just, you know, we don't want to see a duplicative agency. We want to see something that has teeth in it that can actually affect change at the end of the day.

CHAIRPERSON EPSTEIN: Yeah, thank you. And just to go back to you, John, about the nonprofit housing. You know, we've talked over the years, you know, as a former state legislator, we spent a lot of time talking about trying to create funds or create state insurance programs for affordable housing. Do you think in this, like, having state or maybe even the city do an insurance program could kind of reduce the cost, or you think we just need to make sure that there's better regulations on that front?

JOHN CROTTY: No, it’s- so, you know, I think you know me from Stuyvesant Town, right? And so when you— we undertook that sort of conflict in the beginning, right? It was about how did they get to this point where they were able to do this? Part of it was an interpretation inside of DHCR given years before on J-51 and the applicability of the timeline of that tax break. That change was made at DHCR by somebody who is the son of two people who owned a bunch of Mitchell-Lamas. It's housing regulation in the '70s. Nobody pays attention. Nobody cares. They can do whatever they want. I think the scenario is analogous to the current Department of Insurance in the state of New York. Do you know anyone who works there? Do we know what they do? Do we know where they all end up afterwards? Right? They end up at some insurance company. The data that we've assembled that is the first of its kind has never been seen before, and that's great, and I'm glad that we did it. I think it's really important. But, you have a State Department of Insurance that never bothered to look at it. They never bothered to pick out the facts. So we're going to go into what is a very broken organization who has failed us meaningfully and say, oh, now can you help us fix it? That's fine. Maybe that's what's necessary. I wouldn't hold my breath. You know, at the end of the day, they have allowed this situation to occur. And, you know, if we don't both illuminate what the issue is and then detail out a very comprehensive fix, you're going to be hearing a lot about this. And we are not crippled. I understand this is a state issue. You have a loud megaphone. I encourage you to take a look at the data

I'll provide to you. And I don't think there's any other way around it. And happy to talk about both the aggregation of that data, what it means, and sort of the impacts of it as it relates to affordable housing here in New York. It is killing us, right? If it was the mob doing it, they'd be in front of the steps talking about how they have to, you know, push back on this, right? You have a very limited number. We also aggregated, luckily, and again, you'll see it in the PowerPoint, the information on the law firms bringing the lawsuits. I'll give you, for instance, in the last 90 days, affordable housing was sued something like 560 times. 90 days. Go back and look at the calendar. There's a bunch of weekends, a bunch of holidays, right? And it is just a mill that is never going to stop. You— we are being had, and they are robbing the wealth of the city and state of New York that is putting it into these affordable housing buildings. It's crippling our opportunities to build more. It is crippling what exists now. And again, you can take a look at the number of people benefiting. It is incredibly small.

CHAIRPERSON EPSTEIN: Alright, thank you. I appreciate that. I look forward to getting the data from you.

JOHN CROTTY: Great.

CHAIRPERSON EPSTEIN: Alright, any other questions for this panel? Alright, you are— thank you. You are dismissed. Thank you. Is there anyone else here to testify online or in person? I do not see anyone else. Seeing no one else, this hearing is now adjourned.

[gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.

Date ____August 8, 2026________________