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Governor

KAITLIN ASROW  
Acting Superintendent

**Kaitlin Asrow, Acting Superintendent of Financial Services**  
**New York State Department of Financial Services**  
Joint Legislative Public Hearing on FY 2027 Executive Budget – Health  
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Good morning, Chairs Krueger, Pretlow, Bailey, Weprin, Rivera, and Paulin; Ranking Members O’Mara, Ra, Helming, Blankenbush, Gallivan, and Jensen; and all distinguished Members of the New York State Senate and Assembly.

My name is Kaitlin Asrow, and I am the Acting Superintendent of the New York State Department of Financial Services (DFS). Thank you for inviting me to discuss Governor Hochul’s Executive Budget and the Department’s work over the past year, thanks to the support of the Governor and Legislature. I appreciate the opportunity to highlight DFS’s efforts in the health care space and look forward to appearing before you again on February 26 at the Economic Development Joint Legislative Hearing to discuss the full scope of the Department’s work.

Before I begin, I want to thank Governor Hochul for trusting me to lead DFS into its next chapter. Since taking on the role of Acting Superintendent, I have had the opportunity to have productive conversations with some of you. I look forward to meeting and working with those of you who I have not yet had the chance to meet, and I am hopeful that today’s hearing will provide you with some important background on who I am and my priorities for the Department – affordability, innovation, and stability.

I have been fortunate to work across financial services in both the public and private sectors. I started my career working in the Middle East supporting economic development projects, and saw the impact of financial services helping families and small businesses directly. I then moved on to the Financial Health Network, the nation’s leading authority on consumer financial health. From there I served as a Senior Advisor within the Federal Reserve System.

I brought these experiences to DFS in 2022 as the head of the Research and Innovation Division. During this time, I led our work in innovation policy, economic research, financial inclusion, data governance, and the licensing and supervision of virtual currency companies.

I was honored to be appointed as Acting Superintendent last October, and I am especially proud to step into this role having served alongside DFS colleagues for the past four years. Throughout

my time at DFS I have worked to advance our mission to protect and empower our fellow New Yorkers.

### ***Affordability***

Core to the work we do is ensuring that regulation creates more affordable and accessible financial and health care systems for New Yorkers. Consistent with the Governor's affordability agenda, DFS is focused on ensuring access to affordable health care and delivering meaningful cost savings for the people of New York. We also hold entities accountable when they don't meet those standards. Last year, DFS returned more than \$134 million directly to New Yorkers through restitution.

My initial focus in this role – and the first meeting I convened – was on addressing the cost and availability of insurance in New York. At that time, I directed my team to update the DFS website and develop a campaign on insurance discounts available to New Yorkers, so that policyholders can take advantage of programs that can lower their premiums and access incentives that put money back in their pockets. The Governor's Executive Budget builds on this foundational work.

DFS was proud to support and implement actions by Governor Hochul and the Legislature to eliminate out-of-pocket costs for insulin, inhalers, and lung cancer screenings, and to protect critical vaccine access across New York State. To keep New Yorkers safe, Governor Hochul will advance legislation to ensure New York can set its own immunization standards based on accepted medical science and public health needs.

With health care costs continuing to place pressure on family budgets, DFS has taken further action to reduce barriers to care and eliminate unnecessary out-of-pocket expenses. In 2025, the Department adopted and implemented new rules to increase access to mental health care and substance abuse treatment. New Yorkers are now entitled to an initial appointment for mental health or substance use disorder care within 10 days of request. Where those standards cannot be met with in-network providers, insurers must offer out-of-network coverage at in-network prices. To expand on this work, the Department, in coordination with the Office of Mental Health, has launched a consumer education campaign to ensure New Yorkers are aware of their rights under the state's regulations.

Last year, the Department also adopted regulations requiring commercial insurers to collect voluntarily disclosed demographic data from policyholders. This data will be a powerful tool to develop long-term policy solutions to combat discrimination, address health inequities, and direct resources where they are most needed to ensure New Yorkers have access to the care they are entitled to.

Another tool for reducing long-term health costs is access to preventive and primary care to improve health outcomes, therefore avoiding high-cost services. To that point, in January, DFS issued a formal request to insurers for data on primary care spending and programs that have been effective in increasing utilization.

### ***Innovation***

Even as we advance affordability, we are mindful that the challenges facing New Yorkers and the entities we regulate are growing more complex, and more interwoven with technology. This brings me to my second priority: innovation.

Staying abreast of emerging technologies and their deployment by financial institutions is essential to effective regulation. I have accelerated our modernization efforts, prioritized the recruitment of subject matter experts, and updated internal policies so we can responsibly use and understand the technologies we are charged with regulating.

A key component of our modernization effort is DFS Connect, a modern interface that is making DFS a more streamlined and effective regulator. Last year, we expanded DFS Connect to allow New Yorkers to file and track complaints related to prescription drug prices and pharmacy benefit managers. We also introduced the tool to the insurance industry, enabling insurance carriers to submit filings, manage license renewals, and communicate directly with the Department through this portal.

At the end of last year, I introduced the Department's first ever AI use policy. This policy paves the way for us to responsibly use AI internally while maintaining critical safeguards around data protection, accountability, and risk. DFS has also set clear expectations of how regulated entities should use AI, making clear that entities must adapt their frameworks to address emerging risks. Thus far, I have developed three pieces of AI guidance, including on the use of AI in insurance underwriting and pricing.

Finally, I want to emphasize that innovation must always be paired with consumer protection. By modernizing our tools, adapting our oversight, and setting clear expectations, DFS can support innovation while maintaining a stable and fair financial system.

### ***Stability***

Ultimately, my foremost priority for the Department, and for the people of New York, is stability. At a time of sustained change across the financial services and health care sectors, maintaining continuity and confidence is critical.

While changes at the federal level may require a response from New York, from a regulatory perspective, entities can feel confident that our expectations will not waver and New Yorkers can rest assured knowing their protections will remain in place.

Central to stabilizing this market is addressing insurance fraud, which drives up costs for consumers and undermines confidence in the system. Over the past year, DFS has transformed its approach to combating financial and health care fraud by rebuilding and modernizing our Insurance Frauds Bureau. Governor Hochul's Executive Budget builds upon these efforts by enhancing DFS and the state's capacity to investigate and prosecute these crimes.

The Governor's Executive Budget also advances key initiatives to ensure New Yorkers have a stable health care provider. The Executive Budget proposes expanding New York's continuity of care protections to ensure that New Yorkers who change carriers can continue seeing their existing provider for 90 days, or through the completion of post-partum care, regardless of health condition or stage of pregnancy.

The Executive Budget also includes a proposal to eliminate repetitive prior authorizations for medically necessary treatments for chronic conditions. DFS will further support these initiatives by launching a public education campaign to help consumers better understand the health insurance claims process, exercise their rights, reduce avoidable disputes, and promote more timely resolution of claims.

Stability also depends on the dedication and shared purpose of the public servants charged with carrying out this work. DFS's history dates back to 1851. Today, every member of the team carries forward this long-standing legacy of public service. That responsibility is especially meaningful at a time when many New Yorkers are struggling to afford necessities from housing to health care. Our work, and our commitment to stability, has never been more important.

### ***Conclusion***

Affordability, innovation, and stability are not separate goals. They are mutually reinforcing, and central to how DFS serves New Yorkers. I know we share these common goals, and I am confident we can work together on behalf of the people of New York.

Today, I am happy to discuss the Department's oversight of health insurance and the Governor's health proposals in greater detail. I am looking forward to talking about the Department's other areas of regulation and supervision, as well as the Governor's proposals on student loans, auto insurance, and property insurance when we meet again on February 26. Thank you.