

Testimony Before the New York State Senate Re: Executive Budget Auto Insurance Proposals

Thank you, Chairman and members of the Committee. I am the President of the New York State Trial Lawyers Association.

The constituents you represent in your districts are the very same people my organization fights for every single day: the hardworking people of New York. We do not look out for the best interests of insurance companies who continue to rake in record profits while working families struggle.

Governor Hochul says she wants to lower auto insurance premiums for New Yorkers. That is a goal we all share. But instead, her Executive Budget proposals - particularly Part EE and Part FF - look less like consumer reform and more like political positioning. These proposals reduce legal accountability, expand insurer discretion, and fail to demand structural enforcement. Part EE limits access to courts for legitimately injured individuals and raises serious constitutional concerns, including the right to a jury trial.

Let's look at how these proposals will practically hurt New Yorkers in the real world.

Consider the collective accountability changes to joint and several liability. Currently, if a passenger is involved in a two-car crash where one vehicle is 60% at fault and the other is 40% at fault, the injured person is not harmed if the 40% vehicle has more insurance; both offending vehicles are collaboratively accountable for the victim's harms because but for both of their actions, the crash would not have occurred. But if the new proposals are adopted, that injured New Yorker will be denied a full recovery. The only outcome is that the injured person suffers, and the insurance companies' profits increase. New York State has always prioritized the interest of the injured over the insurance companies' profits and changing this rule will only make New Yorkers' lives less affordable while guaranteeing insurers will once again see record profits.

Contributory negligence, where the injured person is partially at fault for the event, is separate and distinct from collaborative accountability of joint and several which is where there are two or more negligent parties and the injured person is not one of them. With contributory negligence, the law already reduces the recovery for any fault the injured person might cause, and an insurance company only pays for their insured's pro-rata share of the fault. By extinguishing an injured person's ability to recover entirely if they are more than 50% responsible, the only party that benefits is the insurance company, to the severe detriment of injured New Yorkers.

Furthermore, these proposals push artificial caps that attempt to replace individualized justice. Historically, it is the jury system that determines what is full and fair compensation, not arbitrary limits set by lawmakers to appease insurers.

The unintended consequences of these caps are devastating. Imagine a person who unknowingly borrows a friend's uninsured vehicle. If they are terribly injured in a crash, they would be arbitrarily barred from a full recovery. Or take another example: we

vehemently oppose drunk driving. But if a drunk driver is completely stopped at a red light, obeying the traffic law, and gets rear-ended by a speeding tractor-trailer, the truck driver is 100% responsible. The mere fact that the stopped driver had alcohol in their system should not relieve the trucking insurance company of accountability. Creating an arbitrary \$100,000 cap in a scenario where injuries could be catastrophic is a gross miscarriage of justice.

Insurance profits must not come at the expense of justice, accountability, or the rights of injured New Yorkers. These proposals weaken individual rights, limit access to care, and severely reduce the accountability of insurance companies with absolutely no proof one New Yorker's car insurance will be lowered as a result. Curtailing legal remedies does not reduce the cost of car insurance, it simply shifts the financial burden of the loss from the wrongdoers directly onto the backs of the victims and the taxpayers.

I strongly urge you to reject these proposals. Thank you.