



Statement of
New York Public Transit Association
(NYPTA)
At the Joint Hearing of the
Senate Standing Committee on Finance
&
Assembly Standing Committee on Ways and Means
Concerning the SFY 2026-27 Executive Budget Proposal
Relating to Insurance
Albany, NY
February 26, 2026

Honorable Chairpersons Kruger and Pretlow, Senator Baskin, Assemblyperson Stirpe, Senator Bailey, Assemblyperson Weprin and other distinguished members of the Committee. Thank you for the opportunity to testify in support of the Governor's SFY 2027 Executive Budget auto insurance reforms, particularly as they relate to public transit agencies and the taxpayers who support them.

The New York Public Transit Association represents the interests of over 128 public transportation systems across the State, from the MTA and the large upstate authorities, to mid-size small urban systems and many small rural and specialized systems. Public transit agencies and systems, operating in nearly every county, are providing safe, economical and environmentally friendly alternatives to the private automobile and, in so doing, are providing real economic value through improved productivity, lower business costs, and overall public benefit.

Public transit systems operate thousands of buses and vehicles every day in some of the most complex traffic environments in the country. Despite significant investments in operator training, collision-avoidance systems,

outward-facing cameras, and other safety technology, accidents will occur. The question is whether our liability system fairly allocates responsibility—or whether it exposes transit agencies to disproportionate financial risk that ultimately falls on riders and taxpayers.

Under current law, public transit agencies are routinely targeted in multi-party auto cases because they are perceived as “deep pockets.” The Article 16 “1%” exception allows a minimally at-fault defendant to be held responsible for 100% of non-economic damages. In practice, this means a transit agency found only 1% responsible for an accident can still bear the entire pain-and-suffering award. This creates strong incentives to name public entities in lawsuits simply to drive larger settlements.

As a result, transit agencies must maintain hundreds of millions of dollars in reserves to guard against potential “jackpot” verdicts—resources that could otherwise support service reliability, safety upgrades, and affordability for riders. When litigation exposure increases, those costs are ultimately borne by farepayers and taxpayers.

The Executive Budget’s TED Part EE proposals directly address these challenges.

The proposal to establish objective medical standards for determining “serious injury” would clarify when a case can exit the no-fault system and pursue non-economic damages. By tightening this threshold, the reform reduces incentives to exaggerate injuries and curbs staged or inflated claims that drive up litigation costs systemwide.

The Budget would also limit non-economic damages to \$100,000 for claimants injured while uninsured, impaired, or committing a felony at the time of a crash. This ensures that individuals who are violating the law are not rewarded with windfall awards financed by law-abiding drivers, riders, and taxpayers.

In addition, the proposal to bar recovery of non-economic damages where the claimant is more at fault than the defendant aligns compensation with responsibility. If a plaintiff’s culpability exceeds that of the transit operator or agency, the law should reflect that reality. This reform brings greater balance and predictability to the system.

Finally, repealing the Article 16 “1%” exception would restore proportional liability in multi-defendant auto cases. Transit agencies would remain fully accountable for their share of fault—but would no longer face exposure grossly disproportionate to their actual responsibility. This single change would significantly reduce the incentive to target public transit entities solely because of their perceived financial capacity.

Taken together, these Executive Budget proposals promote fairness, reduce fraud and litigation abuse, and better align damages with actual fault. For public transit, that means fewer resources diverted to excessive reserves and settlements—and more dollars available for service, safety, and the millions of New Yorkers who rely on transit every day.

We respectfully urge the Legislature to enact these reforms and deliver meaningful relief to riders, taxpayers, and the public agencies that serve them.

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