



# GOVERNMENT AT A GLANCE

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## 2025 MID-YEAR LEGISLATIVE & REGULATORY UPDATE

### Pennsylvania

For the fourth straight year, Pennsylvania lawmakers have failed to meet the June 30 deadline to pass the state budget. Closed-door negotiations between Gov. Josh Shapiro, the Democrat-controlled House, and the Republican-led Senate remain ongoing. Disagreements remain over how to manage rising Medicaid costs and whether to legalize and tax so-called “skill games,” which resemble slot machines and are currently unregulated. Meanwhile, the legislature has considered bills on several key issues affecting the insurance industry, as follows:

- Towing - The Senate passed legislation that aims to combat predatory towing practices by establishing criminal penalties for violations of Pennsylvania’s towing laws. Those laws are currently enforced by the Attorney General’s Bureau of Consumer Protection, but enforcement under this framework has proven inadequate in deterring bad actors. The legislation attempts to address this gap by granting enforcement authority to state and local police and by establishing criminal penalties for violations. The bill, which targets practices such as unauthorized tows, lack of transparency in fees, refusal to accept non-cash payment, and delays in releasing vehicles to their owners, awaits consideration in the House. Enactment of this legislation remains a top priority for the industry this session.
- Pirate Key Fobs - The Senate passed industry priority legislation that targets the growing use of pirated key fobs to steal vehicles. The bill, which now awaits consideration in the House, would make it a first-degree misdemeanor to use, manufacture, possess, sell, or transfer pirated key fobs.
- Reviver - The House passed two bills with a two-year reviver window for otherwise time-barred cases related to child sexual abuse – one of which is a statutory bill and the other a constitutional amendment. While passage of these bills by the House was expected, the Senate has only previously been interested in the constitutional amendment approach. Constitutional amendments must be passed by two separate legislatures and then submitted to the electorate, so if the Senate passes this bill, the earliest it could be submitted to the voters would be 2027.
- Increased Property Damage Minimums - Recently introduced legislation would increase the property damage minimum requirements from \$5,000 to \$25,000.

### District of Columbia

This is the first year of the 26<sup>th</sup> legislative council session. Due to the mayor’s late introduction of the D.C. budget, recent focus has been on the budget process. Issues the industry will be monitoring include:

- D.C. Department of Insurance, Securities and Banking (DISB) Budget - In a budget oversight hearing in June, DISB testified that it was required to cut \$4 million from its budget for the remaining months of FY 25, despite the department being largely funded by regulatory fees. \$1 million of that savings derives from a hiring freeze.

- Increased Minimums and EUIM Bill - A bill was introduced to increase the District's auto insurance minimums and establish a mandatory offer of new "enhanced" underinsured motorist (EUIM) coverage. The industry opposed a similar bill last session given the District's already high claims costs and large uninsured motorist population.
- "Unintentional Bias" in Personal Auto - In November 2024, DISB released a public report as part of its ongoing effort to study "unintentional bias" in personal auto. This year, DISB has created a working group and hired a consultant to continue its efforts.

## Illinois

The General Assembly adjourned its spring session on June 1 and will return in the fall for a handful of veto session days. This session brought a series of critical challenges for property and casualty insurers. Through strong alliances, industry trades helped defeat or amend the most burdensome proposals, directly addressing key industry concerns. Key legislation the industry tracked includes:

- Department of Insurance (DOI) Rate Review/Flex Rating - The DOI sought legislation this session to require property and auto insurers to file rate changes with the DOI for review at least 60 days before use and require prior approval for any rate above 5%. The proposal, which was the subject of numerous meetings between the legislative sponsor, DOI Director, and industry trades, ultimately did not pass this session. Industry trades aggressively opposed the legislation highlighting its possible ramifications. The governor has taken a renewed interest in the issue this summer, so we expect to see similar legislation in the fall veto session.
- Rating/Underwriting Factor Ban - The Secretary of State continued his pursuit of legislation to ban insurers from using certain rating and underwriting factors and impose new standards for unfair discrimination. Ultimately, a vigorous public relations, grassroots, and lobbying campaign led by industry trades ensured that these measures did not advance.
- Auto Theft - The DOI continued to seek legislation to stipulate that any policy of automobile insurance that carries comprehensive coverage may not exclude theft coverage for lack of evidence of forcible entry or for the insured leaving the vehicle unlocked or leaving a key or key fob in the vehicle. Industry trades offered compromise language the DOI did not agree to, so the bill ultimately failed to advance.
- Secretary of State/Insurance Affordability Study - Legislation to require the Secretary of State to conduct a study on the affordability and availability of statutorily mandated automobile insurance in the state including the use of zip codes, credit scores, and age in ratemaking and whether the specific factor results in inequitable rates being assessed to certain populations did not move this session. We will likely see this again in 2026.
- Towing - Legislation was passed and sent to the governor to crack down on predatory safety towing practices. The legislation expands the Illinois Commerce Commission's safety towing enforcement authority and closes gaps in the Illinois Safety Towing Law. The bill awaits the governor's signature. The City of Chicago also passed a new towing ordinance this year aimed at addressing rogue towers.
- Toxic Torts - Legislation that would drastically expand Illinois' jurisdictional reach was passed in the final days of session and sent to the governor. The bill would force all companies registered to do business in Illinois to be subject to the general jurisdiction of the state's courts, thereby allowing lawsuits to be filed in Illinois courts by non-residents even if the underlying matter is unrelated to activity that transpired within the state. A large coalition of businesses are coordinating an effort to ask the governor to veto this bill.

## Indiana

The Indiana General Assembly adjourned its 2025 legislative session on April 25. Key legislation the industry tracked includes:

- Notice of Material Change Effective Date Delay - Legislation was enacted to provide that a previously enacted law requiring a notice of material change apply to personal automobile or homeowner's policies that are issued, delivered, amended, or renewed after June 30, 2026. The new law also provides that the article regarding consumer data protection does not apply to the National Insurance Crime Bureau.
- Motor Vehicles - Legislation was enacted to revise and add to the Indiana code provisions concerning towing restrictions, certificates of title, and online insurance verification in compliance with the specifications and standards of the Insurance Industry Committee on Motor Vehicle Administration (IICMVA).
- Transfer on Death - Legislation crafted based on ERIE feedback was enacted to clean up a law enacted last year dealing with transfer on death deeds. The new law establishes 60 days of coverage for real (but not personal) property that is transferred based on a transfer of death deed and establishes that the law does not apply to commercial property.
- Premium Increases - An onerous proposal to limit P&C increases to 10% for a given year was defeated this session.
- Aerial Imaging - Legislation was considered to significantly regulate insurer use of aerial imagery, but the bill did not advance. This issue is likely to be discussed throughout the year at the National Conference of Insurance Legislators (NCOIL), and we could see legislation introduced in Indiana again in 2026.

## Kentucky

The Kentucky General Assembly wrapped up its 30-day 2025 session on March 14. Legislation the industry tracked this session is as follows:

- Inflated Billing - Legislation that expands the definition of a fraudulent insurance act to include inflated billing was enacted.
- Approved Vehicle Valuation Guides - Industry-supported language was enacted to clarify an issue with motor vehicle valuation guides brought on by a law enacted last year that removed an outdated reference to the National Auto Dealers Association (NADA). This year's law allowed insurers to use a generally accepted valuation tool immediately and directed the DOI to promulgate an emergency regulation by July 1 to set a list of valuation manuals. Unfortunately, the DOI emergency regulation only references Kelley Blue Book and J.D. Power Values, versus the broader approach sought by ERIE and the industry. Industry trades are considering seeking changes to the regulation before it becomes permanent.
- Online Auto Insurance Verification - Legislation was enacted to require the Department of Vehicle Regulation to create an online system for verifying motor vehicle insurance that is consistent with Insurance Industry Committee on Motor Vehicle Administration (IICMVA) guidelines, with rules for insurers to submit data and penalties for uninsured vehicles. It also established a technical advisory committee, to which ERIE was appointed as a member.
- Contractor Fraud - Legislation was enacted to expand the consumer protection statutes on residential roof repair/replacement contracts to include any contractor and put enforcement at the attorney general's office. The new law sets notice requirements for real estate goods and services contracts and sets a 5-day cancellation period.

- PIP Fee Schedule - An industry priority bill to apply the workers' compensation fee schedule to Personal Injury Protection (PIP) claims other than hospital and emergency care made progress but ultimately failed.
- Distracted Driving - Industry-supported legislation to require hands-free use of cell phones while driving failed again this session.
- Matching of Roofing Materials - Legislation was introduced that would have required insurers to replace the roofing materials on the entire roof when uniformity of appearance cannot be achieved and prohibit the application of line-of-sight rules to exclude coverage for the replacement of roofing materials for any portion of the roof. The bill failed to advance.

## **Maryland**

The Maryland General Assembly adjourned its busy 90-day regular session on April 7. Among the many insurance-related issues considered were the following:

- Non-Economic Damages Cap Repeal - Insurers and our business allies again defeated the attempted repeal of the state's noneconomic damages caps in personal injury and wrongful death cases with a strong lobbying/grassroots effort.
- Automatic Renewals - The General Assembly enacted a bill establishing a regulatory framework to govern "automatic renewals," which the bill defines as any contract, plan, or agreement between a consumer and a seller in which a paid subscription or purchasing agreement is automatically renewed. The industry had language added to exempt insurance affiliates and entities.
- Telematics - A bill attempting to prevent insurers from using telematics data to determine policy pricing was defeated by the industry despite the Maryland Insurance Administration's (MIA) support. The MIA plans to publish the results of its telematics survey and sponsor a bill based on the results next session.
- Risk-Based Pricing - A bill that would have prohibited insurers from increasing a policy premium if an insured was found not at fault for two or fewer of the claims within a three-year period was considered this session but failed to pass out of committee.

## **New York**

The legislative session adjourned in the early hours of June 18. With passage of the state budget coming over a month late, the post-budget portion of the session, when most other bills are considered, was compressed. Bills that pass both chambers can be sent to the governor any time before the end of the year, with the most controversial bills generally saved for last. Once a bill is delivered to the governor, she has 10 days to sign it or issue a veto. Key legislation tracked by the insurance industry included the following:

- Online Auto Insurance Verification - Both chambers passed a bill that would make the statutory changes necessary for New York to move from the current antiquated IIES insurance verification system to a modern online insurance verification system. The bill will not take effect until December 31, 2028; however, the Department of Motor Vehicles can immediately begin making necessary changes to regulations needed to implement the new system.
- Deceptive Acts and Practices - One of the biggest issues this session for the insurance industry related to the Unfair Deceptive and Abusive Acts and Practices legislation, which was championed by the attorney general and passed both chambers. The original bill greatly expanded the standards under which business activity could be considered unlawful and included broad private right of action and class action provisions. Following intense lobbying and grassroots efforts, including by ERIE employees and agents in New York, the bill was

favorably amended to remove the problematic private right of action and class action provisions. While this was a positive development, our industry partners continued to oppose the bill due to concerns about the broad powers it would give the attorney general and concerns about potential dual regulation. They will seek further improvements through the chapter amendment process.

- Wrongful Death - This was the fourth consecutive year that a wrongful death bill passed both legislative chambers. The three previous versions were vetoed by the governor. Our industry trades will be working with a broad coalition of stakeholders to seek another veto.
- Third Party Litigation Financing (TPLF) - Both chambers passed a bill related to TPLF that unfortunately lacks critical disclosure in litigation provisions. However, it does include several valuable consumer protections which may reduce abusive practices in this area (cap on percentage of proceeds that can go to the lender, consumer disclosures, right of rescission, registration with the Secretary of State, and required filing of contract forms with the Department of State, among other provisions). Industry trades will continue to advocate for adding disclosure provisions through the chapter amendment process or in future legislative sessions.
- Lawsuit Abuse - Several bills related to lawsuit abuse were considered, including:
  - Plaintiff Recovery - Trial bar legislation was passed that would permit a plaintiff to recover directly against a third-party defendant found to be liable in certain actions. A similar bill passed in 2019 but was vetoed by former Governor Cuomo. The industry will again work with allies to urge a veto of this bill.
  - Time Limits on Impleading Third-Party Defendants - The industry plans to seek a veto on passed legislation that would impose time limits on impleading third party defendants.
  - Prohibiting Settlements Within 30 Days of a Tortious Act - Legislation that would prohibit settlements within 30 days of a tortious act passed late in session. Our industry trades will seek a veto of this bill that would unnecessarily delay the settlement of cases.
  - Private Right of Action for Unfair Claims Practices - Trial bar legislation that would allow a private right of action for unfair claims practices failed to pass. An analysis showed the bill would have had an estimated \$9.5 billion annual premium impact.
- Workers' Compensation
  - Reducing Permanent Total Disability Classification Standards - Both chambers passed a bill that would inappropriately lower standards for permanent total disability classification and would only require a claimant to either not be able to perform a full range of sedentary work or be approved for federal Social Security disability benefits to be classified. Industry trades will seek a veto of this legislation.
  - Fraud Assessment Commission - Legislation was enacted to establish a fraud assessment commission and an assessment to fund the investigation and prosecution of workers' compensation fraud.
- Artificial Intelligence - The Senate passed legislation to institute comprehensive AI regulation and establish a private right of action. This bill was introduced late in the session and received very little deliberation. Nevertheless, it passed the Senate and almost passed the Assembly, so the industry will need to be vigilant going forward.
- Prohibiting Lead Paint Exclusions in Rental Insurance Liability Policies - This bill has passed the Assembly in previous sessions; this year, it did not.

## North Carolina

While the legislative session concluded on June 27, the General Assembly has indicated it will return later after it failed to pass the biennial state budget, leaving nearly 66 million dollars for the next two fiscal years unresolved. Key legislation the industry tracked this session is as follows:

- Automatic Renewals - Legislation was passed by the House that would provide for notice and disclosure requirements regarding automatic renewal of contracts for consumer products or services. While the House-passed version removed provisions exempting insurers and financial institutions, key senators were committed to restoring the provisions if the bill was taken up in the Senate.
- Safe Driver Incentive Plan Threshold - A bill that would increase the threshold for a “major accident” under the Safe Driver Incentive Plan passed the House but didn’t advance in the Senate.
- Insurance Technical Fixes - Insurance omnibus legislation was enacted to address several issues, including rebate reform revisions requested by the Department of Insurance, clarifications regarding the liability of peer-to-peer car sharing providers, provisions permitting producer commission sharing in certain circumstances, clarification over the inexperienced operator continuous coverage surcharge, restrictions on residential leases that require renters insurance, and specification that a charge back of a premium made by credit card cancellation is deemed to be a nonpayment of premium.
- Temporary Moratorium on Driver’s License Expirations - To address the backlog of drivers unable to renew their licenses in person, the General Assembly enacted a temporary moratorium on the expiration of certain drivers’ licenses to expire at the end of 2027.

## Ohio

Gov. Mike DeWine recently signed the state’s operating budget with 67 line-item vetoes. While some of the vetoes were pushback on populist policies, others have stirred concern among legislative leaders. Aside from one scheduled session day on July 21 to consider overriding some of the line-item vetoes pertaining to property tax reforms, the Ohio General Assembly will move into its typical summer recess schedule and return in the fall. Legislation the industry continues to track this session is as follows:

- Third-Party Litigation Funding (TPLF) - A priority for industry trades, this year’s TPLF measure has been the subject of more discussion and activity than at any point over the last several sessions. The Ohio Alliance for Civil Justice and industry partners have pushed out grassroots messaging with over 14,000 letters reaching legislators since March, which has played a significant part in creating the necessary pressure to move the legislation forward despite trial bar-friendly elements in legislative leadership. Negotiations will continue over the summer months in hopes of gaining favorable movement in the fall.
- Statute of Limitations on Written Contracts - Industry-supported legislation to reduce the statute of limitations on written contracts from six to three years and on nonwritten contracts from four to two years is under consideration. Proponent testimony was heard in June with additional activity anticipated in the fall.
- Allowing UTVs on 55mph Roadways - Industry trades have worked with other interested parties to oppose this legislation which would make changes to the laws governing all-purpose vehicles, off-highway motorcycles, snowmobiles, utility vehicles, and mini-trucks. While it appears the bill has stalled due to broad opposition, we will continue to monitor.

- Compensatory Damages for Damaged Vehicles - Legislation supported by the trial bar to clarify compensatory damages for damaged vehicles is being considered. Industry trades oppose this legislation.
- Fire Hydrant Testing - Legislation is under consideration to require the State Fire Marshal to ensure period inspection, testing, and maintenance of all fire hydrant systems.
- Sale of Used Catalytic Converters - After several sessions of discussions, legislation intended to curb the theft of catalytic converters has passed the House and is now pending in the Senate Judiciary Committee. The bill would generally increase the penalty for theft to a fifth-degree felony when the stolen item is a catalytic converter.
- Vicious Dogs - The House passed a bill that would make changes to the laws governing dogs, including dangerous and vicious dogs. The bill, which would redefine what constitutes a nuisance, dangerous, and vicious dog, and pertains only to unprovoked attacks, awaits consideration in the Senate.

## **Tennessee**

The Tennessee General Assembly finished year one of its two-year session and adjourned on April 22. It will reconvene for the second year of the session on January 13, 2026. Interim meetings focused on how to reduce the number of uninsured motorists are anticipated. Legislation the industry tracked this session includes:

- Civil Actions Against Arms Dealers, Manufacturers, and Sellers – Legislation was enacted to significantly modify civil liability and product classifications. The new law removes the ability to file a negligence per se action against a seller of a qualified product and broadens the scope of “qualified products” to include items such as knives, body armor, pepper spray, and firearm silencers. Additionally, the law changes the standard for negligent entrustment actions, requiring physical injury instead of an unreasonable risk of injury, among other changes.
- Compensation Paid to Firefighters for Certain Conditions or Injuries – Legislation was enacted to add prostate cancer, breast cancer, and pancreatic cancer to the list of cancers for which a presumption is created that certain conditions or impairments of full-time firefighters caused by listed cancers arose out of employment unless the contrary is shown by competent medical evidence.
- Post-Traumatic Stress Disorder in First Responders – Legislation was enacted to create a presumption that the diagnosis of a law enforcement officer or emergency medical responder with post-traumatic stress disorder as the result of responding to certain incidents was incurred in the line of duty for purposes of workers' compensation coverage.
- Purchase of Insurance by Governmental Entities – Legislation was enacted to clarify that any governmental entity may purchase any of the insurance authorized under state law, without the necessity of public bidding, as required by any public or private act or charter restriction, if such insurance is purchased through a plan authorized and approved by any organization of cities, counties, or other governmental entities as contemplated by state law.
- Failed Legislation - Legislation that failed to reach enactment this session includes bills dealing with a revival statute for sexual abuse claims, increasing the amount of compensation a person may recover in an action brought against a local government, increasing the amount of compensation an injured plaintiff may receive in a civil action, requiring insurance companies to offer a recurring discount on homeowners or renters insurance if the policyholder secures any firearms on the property in a firearm safe or uses a firearm safety device, and prohibiting an entity from sharing, selling, or otherwise distributing a vehicle's

driving data without the express, written consent of the owner of the vehicle, regardless of how or where the driving data is collected or stored.

## **Virginia**

The second year of the Virginia legislative session adjourned on February 22 and a reconvened veto session to consider the governor's recommendations for amendments or vetoes occurred on April 2. The industry was faced with many plaintiff-friendly bills, which was expected due to several trial lawyer legislators in positions of power. Among the many issues the industry tracked this session were the following:

- Assignment of Benefits - Positive legislation was enacted to prohibit the transfer or assignment of fire insurance benefits without written permission of the insurer. This bill will help combat contractor fraud and inflated billing practices.
- Tort Legislation
  - Personal Injury/Wrongful Death - Legislation was enacted to hold employers liable for employees' tortious and criminal conduct. Although the industry pushed for a full veto of the bill, the governor offered amendments that were accepted by the trial lawyers and the bill became law.
  - Motor Vehicle Collisions/Telephone Data - A bill requiring that law-enforcement include on any collision report certain mobile telephone data including phone number, provider, and IMEI number for any driver involved was defeated by the industry with the help of a coalition of telecoms and the state police. Unfortunately, this bill is a priority of the Senate President and is expected to be back next session.
  - Tolling of Limitations Period for Wrongful Death Actions - Legislation was enacted that provides that the statute of limitations for an action for death by wrongful act may be tolled during the pendency of any criminal prosecution that arises out of the same facts as such action.
- Fire Surcharge Increase - Legislation was again considered to increase the state's fire programs fund premium surcharge from 1% to 1.5%, but the bill ultimately failed as it has in past sessions.
- Required Notice of Optional Motor Vehicle Coverages - Legislation was enacted to revise the language of the notice of the availability of optional motor vehicle coverages that must be enclosed with all motor vehicle insurance policies issued, delivered, or renewed in Virginia.

## **West Virginia**

The first year of the 87th Legislature's two-year legislative session adjourned on April 12. The industry tracked the following legislation this session:

- Public Adjuster Reform - An ERIE-supported public adjuster bill that would have set forth licensing and other professional uniform standards unfortunately stalled due to a redraft not being completed by the House's deadline to pass legislation on to the Senate.
- Motorcycle Helmet Requirement Repeal - With a more conservative legislature, the push to repeal the helmet law was expected, but industry trades and safety advocates were able to stall and ultimately defeat the bill.
- Fire Department Funding Defense - The industry successfully opposed a bill requiring at least \$2,000 in separate property coverage for fire department response fees. This bill was also defeated last year.
- Dram Shop Liability - A bill relating to liability and insurance requirements in liquor liability (dram shop) cases was amended based on ERIE feedback and enacted into law.



- American Law Institute (ALI) Restatement - Proactive legislation was again sought to clarify that secondary sources are not the law and public policy of West Virginia in certain instances. The bill passed the House with no opposition but couldn't overcome trial bar opposition in the Senate and ultimately failed.
- Environmental, Social, and Governance (ESG) - There were several pushes for negative ESG legislation, but fortunately those bills were either amended favorably or failed. Of note:
  - Firearms Industry Nondiscrimination Act - Legislation was considered this session to prohibit discrimination against a firearm entity or trade association and to provide for remedies for such discrimination. Insurance was initially included in the definition of financial institution, thereby subjecting carriers to the bill's requirements, but industry trades were able to amend the final version before enactment to remove insurance from the definition.
  - Protecting Shareholders Act - Legislation was considered to establish standards for a breach of fiduciary duty under the Protecting Investors Act, which included a director or officer that prioritizes any element of ESG over pecuniary interests. The bill ultimately failed.

## Wisconsin

The Wisconsin Legislature will continue the first year of its two-year session in September after its current summer recess, although some committee activities will continue over the summer. Key legislation the industry tracked this session is as follows:

- State Budget Bill - Shortly before the Fourth of July holiday, Gov. Tony Evers signed the state's two-year budget bill which contained a handful of policy provisions of interest to the industry, including:
  - Insurance Sales Tax Exemption - A change in interpretation from the Department of Revenue led to insurers being charged sales taxes on certain digital subscription products. The exemption contained in the budget largely solves the issue for information products containing reports, statistics, records, or other data used exclusively by an insurance company whether transferred in tangible or digital form and whether the charges for such items are made on a transactional basis or through a license, subscription, or similar fee for access to such items.
  - Limited Worker's Compensation Fee Schedule - While the provision falls short of the fee schedule in the agreed upon Worker's Compensation Advisory Council (WCAC) legislation, the budget contained a fee schedule for certain hospital facility fees. And while this does not include a fee schedule for professional services, it's an important step towards the end goal of establishing a comprehensive fee schedule. To benefit from the fee schedule, insurers or self-insured employers must pay most medical bills in 60 days, with a 90-day deadline for bills over \$65,000. If the insurers have not determined compensability or for other reasons to be determined by the department are unable to pay within those timelines, the insurer or self-insured employer can request unlimited 30-day extensions. The budget language also included bad faith safe harbors for requesting extensions and when extensions are denied. Administrative rulemaking from the Department of Workforce Development will be necessary to further articulate details of the fee schedule.
  - Indexing Permanent Total Disability Benefits - For injuries occurring on or after January 1, 2026, weekly indemnity for permanent total disability shall, beginning with the sixth anniversary of the date of injury and then annually thereafter on that

- anniversary, be increased as outlined in the statute. Like the fee schedule, this concept was also part of the WCAC agreed-upon legislation from last session.
- Funding Continuations - The budget included continuing a \$6 million per year appropriation to fund driver's education grants and an appropriation to continue funding CDL training grants.
- OCI Staffing - The budget included a paralegal position in the Office of the Commissioner of Insurance (OCI) to assist the fraud attorney position created in the previous biennial budget and an attorney position for the Judicial Council.
- Assignment of Benefits - Early in the session, industry trades began pursuing legislation to address abuse related to assignment of benefits. The initial draft received significant opposition from the construction and building community, so the industry continues to work with interested parties on revisions with the goal of introducing the legislation in the fall.
- Deceptive Attorney Advertising - Industry trades are discussing the issue of deceptive attorney advertising practices and looking at legislation to require certain disclosures for verdict-touting attorney advertisements.
- Delivery Network Couriers/Transportation Network Drivers - Legislation dealing with delivery network couriers and transportation network drivers has passed both chambers and will be sent to the governor. The bill provides that under specific circumstances, such drivers are not employees of the delivery network companies and transportation network companies for the purposes of workers' compensation insurance, minimum wage laws, and unemployment insurance, among other changes.

## **Secondary States**

As of January 2025, ERIE is authorized to add Delaware and Vermont as secondary states to workers' compensation policies written in a primary footprint state, and is in the process of adding South Carolina, Missouri, and Georgia as secondary states as well. Government Relations is tracking legislative and regulatory developments relevant to workers' compensation in all five states.

## **Delaware**

The General Assembly adjourned in the early hours of July 1, 2025. Two bills related to workers' compensation were passed and signed by the governor:

- An update to the Workers' Compensation Act to reflect current practices and technology, including enabling workers' compensation payments to be made by direct deposit. The bill also increases the insurer-funded portion of inspection and safety control programs conducted by the Delaware Division of Industrial Affairs from 66.67 percent to 100 percent. Overall, this increase has been estimated to have a minimal impact on individual company rates.
- A one-time increase of three percent in aggregate workers' compensation medical expenses to correct reimbursements for medical services coded as evaluation and management (E&M) for workers' compensation cases. The E&M reimbursement rate for workers' compensation cases had fallen below the reimbursement rate of the Centers for Medicare & Medicaid Services (CMS) rates. Delaware was at the very low end of reimbursement rates and was in critical need of physicians to accept and treat workers' compensation patients.

## **Georgia**

The 2025 session of the General Assembly adjourned on April 4. While no significant legislation related to workers' compensation was signed into law this session, progress was made on legislation amending the regulation of professional employer organizations (PEOs), which could be addressed

next year. The highlight of the session was the passage of a legal system abuse reform package. Additionally, the Speaker of the House created a committee to study insurance rates. Industry stakeholders have and will continue to present information to the commission that provides an accurate picture of the insurance market and the factors impacting insurance rates.

### **Missouri**

The legislative session adjourned on May 15. Missouri has a one-year legislative session, meaning any bills that did not pass must be introduced again the following year to be considered. Legislation related to workers' compensation included:

- A bill specifying that an injury is compensable if the accident was the prevailing factor in causing the injury, the resulting medical condition, the disability, and the need for treatment. It would modify the definition of injury due to an occupational disease; injury due to repetitive motion; and the "prevailing factor" test definition. This bill did not move forward.
- A bill that would create a new provision of workers' compensation law providing for the dismissal of claims by an employer. If the matter has not already been set for a hearing within 90 days of the filing of a workers' compensation claim, the employer may file a motion to dismiss the matter. This bill did not move forward.

### **South Carolina**

The South Carolina legislature's 2025 session adjourned on May 8. Workers' compensation legislation considered this session included the following:

- The House passed a bill that would revise the existing law providing firefighters with a presumption for injuries caused by heart disease and respiratory disease to also include injury caused by a stroke, and expand the scope to active duty exercises (rather than only fighting a fire) but clarify that these presumptions do not apply to those engaged in clerical, administrative or sedentary activities. South Carolina has a two-year legislative session, so this bill could be considered by the Senate in 2026.
- A bill was introduced that would revise the existing statute authorizing the adoption of medical fee schedules. The bill has not moved beyond the House Labor, Commerce and Industry Insurance Subcommittee, but could be acted upon next year.

### **Vermont**

Vermont's legislative session adjourned on June 16. On May 28, the governor signed a law making several changes to workers' compensation statutes, including new fines for late payments and changing procedures for case management and translation services. Industry trades successfully advocated for decreased penalties, the removal of a provision that would have included the market value of health insurance in workers' compensation wages, and a requirement that the Department of Insurance conduct a study of late payments to assess the scope of the issue and potentially reconsider penalties.