2026 Midyear Legislative & Regulatory Update

The 2026 legislative sessions focused on insurance affordability, insurer operations, legal system abuse, and claims-related reforms across ERIE's footprint. The summaries below highlight the most significant legislative developments by region and state. Most state legislatures have adjourned for the year or recessed for the summer, but several important measures remain pending before governors or will continue into the second half of the year.

Northeast

Pennsylvania

Divided government continued to shape the legislative environment in Harrisburg, with Republicans controlling the Senate and Democrats controlling the House and governor's office.

SB 779 – Towing Enforcement
Enacted. Expands law enforcement authority to enforce consumer protection requirements governing towing practices and strengthens enforcement against predatory towing.
Position: Support

HB 1972 – Public Adjuster Reform
Remains pending. Modernizes Pennsylvania's public adjuster law by updating licensing and conduct standards and establishing a 20 percent commission cap; the legislation remains an Insurance Department priority.
Position: Support

Workers' Compensation
Multiple bills remain pending. Legislation addressing reimbursement for prescription topical and compound medications (SB 1215), increasing the State Workers' Insurance Fund's investment authority (HB 2499), and increasing the workers' compensation burial benefit (HB 2049) awaited further consideration at adjournment.
Position: Support (SB 1215); Monitor (HB 2499); Oppose (HB 2049)

HB 2400 – FY 2026–27 Budget / SB 146 – Fiscal Code
Enacted. Transfers approximately $14.3 million from the Medical Malpractice Joint Underwriting Association surplus to the General Fund and reauthorizes the Innovate PA 2.0 premium tax credit program.
Position: Monitor

New York

The 2026 legislative session was dominated by a state budget enacted nearly two months late, leaving limited time for post-budget legislation. The final budget included significant legal system abuse reforms supported by the insurance industry but also imposed new mandates affecting auto and property insurers.

A10005/S9005 – Public Protection and General Government Budget
A10008/S9008 – Transportation, Economic Development, and Environmental Conservation Budget
Enacted. Includes industry-supported reforms modifying the no-fault serious injury threshold, adopting modified comparative negligence in motor vehicle actions, expanding criminal penalties for staged accidents, and establishing workers' compensation fraud units within district attorney offices. Repeals personal auto flex rating, requires explanations for certain premium increases, modifies the auto insurance excess profits framework, codifies restrictions on certain underwriting factors, and expands reporting requirements for multifamily residential property insurers.
Position: Monitor

Residential Insurance Affordability
Failed. Proposals establishing mandatory premium discounts and broader underwriting restrictions (A9016/S8583), as well as a homeowners loss ratio benchmark and expanded prior approval authority (A11298/S9281) did not advance.
Position: Oppose

Construction Accident Litigation
Requires Labor Law provisions to be construed liberally in favor of workers (A10365/S9330). Passed both houses and awaits governor's action. Industry-supported legislation establishing penalties for staged construction accidents (A3800/S5231) failed to advance.
Position: Oppose (A10365/S9330); Support (A3800/S5231)

S10171 – Wrongful Death
Failed. Legislation expanding recoverable damages in wrongful death actions did not advance following four consecutive gubernatorial vetoes.
Position: Oppose

Workers' Compensation
Multiple bills passed both houses and await gubernatorial action. Eliminates the labor market attachment requirement (A8482/S6376), authorizes telehealth for certain mental health services (A949/S998), permits direct deposit of death benefits (A7558/S4467), expands eligible mental health providers (A5894/S6912), and increases posthumous benefits (A8480/S8131).
Position: Oppose (A8482/S6376); Monitor (A949/S998, A7558/S4467, A5894/S6912 A8480/S8131)

Southeast

District of Columbia

The Council continued updating the District's insurance code while advancing significant changes to motor vehicle insurance requirements. Additional work also continued on insurer cybersecurity standards.

B26-57 – Motor Vehicle Modernization Act of 2025
Enacted. Awaits congressional review and mayoral implementation.
Increases minimum auto liability limits to 50/100/20, requires enhanced underinsured motorist coverage unless affirmatively waived, removes the motorcycle exemption, and makes other coverage changes.
Position: Monitor

B426 – Holding Company System
Enacted. Updates insurance holding company requirements by adopting group capital calculation and liquidity stress testing standards consistent with NAIC accreditation requirements.
Position: Monitor

B427 – Cybersecurity
Remains pending. Establishes cybersecurity standards for insurance licensees, including data security requirements and cybersecurity event reporting obligations.
Position: Monitor

Maryland

The General Assembly considered numerous civil justice proposals supported by the plaintiffs' bar while enacting targeted insurance and residual market legislation. Industry advocacy successfully defeated several high-impact liability measures, although many are expected to return next session.

HB 476/SB 474 – Noneconomic Damages
Failed. Legislation repealing Maryland's caps on noneconomic damages in personal injury and wrongful death actions was converted to an interim study.
Position: Oppose

HB 466 – Comparative Negligence
Failed. Legislation replacing contributory negligence with comparative negligence for vulnerable road users was converted to an interim study.
Position: Oppose

SB 871 – Punitive Damages
Failed. Would have lowered the standard for punitive damages from actual malice to gross negligence.
Position: Oppose

SB 894 – Third-Party Litigation Financing
Failed. Industry-supported legislation regulating commercial litigation financing did not advance following stakeholder opposition.
Position: Support

SB 351 – Telematics
Failed. Would have required insurers to disclose telematics program usage and establish a policyholder appeal process.
Position: Oppose

SB 578/HB 30 – Predatory Towing
Enacted. Expands State Police authority over police-initiated towing and strengthens oversight of towing companies to address predatory practices.
Position: Support

SB 469 – MAIF Assessments
Enacted. Revises Maryland Automobile Insurance Fund assessment allocations, creates a temporary affordability program, and reduces the statutory producer commission rate.
Position: Monitor

North Carolina

The session focused primarily on budget negotiations and insurance technical corrections. Lawmakers also enacted significant legal system abuse reforms while leaving portions of the insurance technical corrections legislation unresolved.

HB 315 – Third-Party Litigation Financing
Enacted. Prohibits third-party litigation financing in civil actions and includes negotiated increases to certain workers' compensation benefits.
Position: Support

HB 356 – Insurance Technical Corrections
Remains pending. Delays implementation of inexperienced operator requirements, updates peer-to-peer vehicle sharing provisions, revises insurer reporting requirements, and makes other insurance regulatory changes.
Position: Support

SB 257 – Budget
Enacted. Revises insurance laws affecting auto claims, salvage vehicle branding, premium taxes, and insurance regulation by requiring claim payments within 10 business days after settlement, updating salvage title branding requirements, increasing premium tax rates, and replacing the insurance regulatory charge with the Insurance Regulatory Fund.
Position: Monitor

Virginia

The General Assembly considered significant proposals affecting litigation exposure, underwriting, contractor regulation, and claims practices. Industry advocacy secured several important victories while other enacted measures require operational implementation.

SB 229 – Class Action Lawsuits
Vetoed. Would have established a Virginia class action framework and expanded Virginia Consumer Protection Act damages to class actions.
Position: Oppose

SB 693 – Use of Credit
Enacted. Prohibits insurers from taking adverse underwriting or rating action when consumer credit information is the sole factor driving the decision.
Position: Oppose

HB 437 – Public Adjuster Reform
Enacted. Modernizes public adjuster licensing, conduct standards, advertising requirements, and consumer protections.
Position: Support

SB 402/HB 677 – Roofing Contractors
Enacted. Establishes consumer protections governing roofing contractors and limits underwriting actions based solely on the age or condition of asphalt shingle roofs.
Position: Monitor

HB 312 – Motor Vehicle Glass
Enacted. Revises notice requirements governing motor vehicle glass repair facilities and clarifies enforcement authority.
Position: Support

SB 376 – Telematics
Failed. Would have required telematics disclosures and established a policyholder appeal process.
Position: Oppose

West Virginia

The legislature enacted targeted insurance reforms while several industry-supported initiatives stalled before adjournment.

HB 5462 – BRIM Mine Subsidence
Enacted. Prevents duplicate recovery by crediting coal company payments toward covered losses and clarifies that policyholders may not bring action against insurers for claims reported to the Board of Risk and Insurance Management.
Position: Support

SB 556 – Test Drive Coverage
Enacted. Makes a driver's personal auto policy primary during dealership test drives, with dealer coverage becoming secondary.
Position: Oppose

HB 5521 – Public Adjusters
Failed. Would have established licensing, examination, and conduct requirements for public adjusters.
Position: Support

SB 661 – Commercial Valued Policy
Failed. Would have clarified valuation standards for commercial real property insurance policies.
Position: Support

West

Illinois

The General Assembly devoted significant attention to insurance rate regulation, claims handling, and artificial intelligence.

HB 4273 – Homeowners Insurance Rate Regulation
Passed the General Assembly; awaits governor's action. Establishes a homeowners insurance rate review framework, including expanded Department of Insurance review authority, complete filing requirements, and notice requirements for certain premium increases.
Position: Oppose

SB 714 – Auto Insurance Rate Regulation
Passed the General Assembly; awaits governor's action. Establishes an auto insurance rate review framework, expands Department of Insurance oversight, and requires notice for certain premium increases.
Position: Oppose

HB 4160 – Auto Insurance Right to Appraisal
Passed the General Assembly; awaits governor's action. Establishes a first-party appraisal process for auto physical damage claims beginning July 1, 2027.
Position: Monitor

SB 4006 – Insurance Operational Requirements
Enacted. Revises nonrenewal notice requirements, requires flood insurance notices in specified circumstances, and codifies NAIC climate risk disclosure reporting.
Position: Monitor

SB 315 – Artificial Intelligence Safety
Enacted. Establishes governance, risk management, audit, and reporting requirements for large AI developers.
Position: Monitor

HB 4373 – Motor Vehicle Glass Repair

Failed. Would have restricted assignment of benefits in auto glass claims and expanded anti-steering protections.
Position: Support

Indiana

Lawmakers enacted a broad insurance omnibus bill while comprehensive civil justice reform did not advance during the short session.

HB 1260 – Insurance Omnibus
Enacted. Revises material change requirements, extends nonrenewal notice periods, establishes standards for aerial imagery-based nonrenewals, and updates multiple property and casualty insurance provisions.
Position: Monitor

HB 1184 – Towing Matters
Enacted. Requires towing companies to reimburse vehicle owners for towing-related damage and establishes additional signage requirements for tow-away zones.
Position: Support

HB 1417 – Civil Justice Reform
Failed. Comprehensive tort reform legislation did not advance before adjournment.
Position: Support

Kentucky

The General Assembly enacted one of the most significant insurance reform packages in the region, advancing numerous long-standing industry priorities addressing fraud, claims costs, and contractor conduct.

HB 627 – PIP Medical Fee Schedule
Enacted. Applies the workers' compensation medical fee schedule to PIP claims and establishes billing and reimbursement standards intended to reduce fraud and medical cost inflation.
Position: Support

HB 568 – Public Adjusters
Enacted. Modernizes public adjuster regulation by establishing updated licensing, contract, fee, and enforcement standards.
Position: Support

SB 153 – Contractor Fraud
Enacted. Strengthens contractor regulations, expands insurance fraud enforcement authority, and enhances consumer protections.
Position: Support

HB 355 – Real Estate Appraisers
Enacted. Reestablishes an independent appraiser board, updates licensure standards, and further restricts public adjusters from holding themselves out as appraisers.

Position: Support

HB 527 – **Insurance Technical Corrections**
Enacted. Makes technical updates to the insurance code and establishes a grant program supporting fortified home mitigation.
Position: Support

Ohio

Lawmakers enacted significant legal system abuse reforms while continuing work on several insurer operational priorities expected to resume during the post-election session.

HB 105 – **Third-Party Litigation Financing**
Enacted. Establishes registration, disclosure, and consumer protection requirements for litigation funding arrangements, prohibits foreign-funded agreements, and limits funder influence over litigation strategy.
Position: Support

HB 210 – **Catalytic Converter Theft**
Enacted. Strengthens criminal penalties and establishes additional requirements governing the sale and purchase of used catalytic converters.
Position: Support

SB 306 – **Insurance Omnibus**
Passed Senate; awaits House floor consideration. Includes ERIE-priority language addressing repair facility storage fees, towing procedures, electronic signatures, and other insurance operational issues.
Position: Support

HB 769 – **Roofing Contractors**
Remains pending in House. Establishes written contract standards, cancellation rights, deductible restrictions, and consumer protections governing roofing contractors.
Position: Support

Tennessee

The General Assembly enacted multiple industry-supported legal system abuse reforms while also approving legislation affecting financial responsibility enforcement and commercial motor vehicle liability.

SB 2101/HB 2108 – **Third-Party Litigation Financing**
Enacted. Establishes registration, disclosure, bonding, and consumer protection requirements for commercial litigation financiers while restricting foreign-affiliated funding.
Position: Support

HB 1690/SB 1667 – **Financial Responsibility**

Enacted. Strengthens financial responsibility enforcement, expands insurer reporting requirements, and limits recovery of noneconomic damages in certain actions involving uninsured motorists.
Position: Monitor

[SB 2458/HB 2175](#) – **Delivery Network Companies**
Enacted. Establishes insurance and operational requirements for delivery network companies consistent with the NCOIL model.
Position: Support

[SB 1587/HB 1706](#) – **Commercial Motor Vehicle Liability**
Enacted. Establishes new civil liability standards involving unlawfully present commercial motor vehicle operators while incorporating amendments limiting insurance coverage impacts.
Position: Oppose

Wisconsin

The legislature enacted several long-standing industry priorities addressing assignment of benefits, expert witness standards, and contractor-driven litigation.

[SB 531](#) – **Assignment of Benefits**
Enacted. Establishes restrictions and requirements governing post-loss assignment of benefits to residential contractors.
Position: Support

[SB 459](#) – **Expert Witness Standards**
Enacted. Aligns Wisconsin's expert testimony standard with Federal Rule of Evidence 702.
Position: Support

[AB 130/AB 131](#) – **PFAS**
Enacted. Provides funding for per- and polyfluoroalkyl substances (PFAS) remediation and establishes protections for certain entities that did not cause contamination.
Position: Monitor

[AB 225](#) – **Venue Reform**
Vetoed. Would have limited venue shopping in civil litigation.
Position: Support

Secondary States

ERIE is authorized to write workers' compensation coverage in Delaware, Missouri, South Carolina, and Vermont and has filed for approval in Georgia. Government Relations continues to monitor legislative and regulatory developments affecting workers' compensation in each jurisdiction.

Delaware

SB 248 – Workplace Safety Program Credits
Enacted. Updates the formula used to calculate workplace safety program premium credits.
Position: Monitor

Georgia

HB 250 – PEO / HB 1355 – Workers' Compensation
Failed. Legislation addressing professional employer organization statutory employer issues, increasing weekly and death benefits, revising return-to-work standards, and prohibiting consideration of certain not-at-fault auto accidents in workers' compensation determinations did not advance.
Position: Monitor

Missouri

Workers' Compensation
Failed. Legislation establishing a medical fee schedule, expanding occupational disease presumptions for firefighters and first responders, and making technical revisions to permanent total disability benefits and Workers' Compensation Commission procedures did not advance.
Position: Monitor

South Carolina

HB 3874 – Medical Fee Schedule
Enacted. Requires the Workers' Compensation Commission to establish and annually review a medical fee schedule in consultation with a stakeholder advisory committee that includes insurer representation.
Position: Monitor

HB 3163 – Occupational Disease
Enacted. Expands the occupational disease presumption for firefighters.
Position: Monitor

Vermont

S. 173 – Vocational Rehabilitation Commission
Enacted. Creates a commission to study Vermont's vocational rehabilitation system after broader statutory reforms were defeated; the commission includes workers' compensation insurer representation.
Position: Monitor