

# INSURANCE DEPARTMENT & PENNIE BUDGET HEARING WRAP

Wednesday, February 25, 2026



## General Overview:

Pennsylvania Insurance Department (PID) Commissioner Michael Humphreys, senior staff from PID, and Devon Trolley, the Executive Director of the Pennsylvania Insurance Exchange (PENNIE), testified before the House Appropriations Committee today. House Republicans focused on how the Commonwealth can keep insurance costs low, combat insurance fraud, monitor Pharmacy Benefit Managers reforms, and reorganize the Joint Underwriters Association board.

## Key Takeaways:

- PID is not funded through the General Fund, but through fees collected in the Insurance Regulation and Oversight Fund (IROF).
- Members expressed concern that the rise of AI is increasing the risk of insurance fraud and that insurance companies are also using it to pressure insurance holders into unnecessary home upgrades.
- House Republicans have supported significant reforms for Pharmacy Benefit Managers (PBMs). These reforms were in part designed to help small, locally owned pharmacies. Members expressed concerns that the reforms are not moving quickly enough to help independent pharmacies, who are already struggling with PBMs.
- PID also shared that there will be an update on the reorganization of the Joint Underwriting Association board by the end of the first quarter of the calendar year.
- PENNIE has noted a drop in enrollment due to the temporary federal subsidies ending last year.
  - PENNIE Executive Director Trolley shared that other states have used state funding to replace the temporary federal subsidies.

## Notable Q&A:



Rep. Jeff Olsommer asked PID why capping public adjuster compensation is needed and why PENNIE assistors do not need the same certification as insurance brokers.

Rep. Eric Nelson asked how PID is addressing the rise of AI in the insurance industry, from both a fraud and a claims perspective.



Rep. Eric Davanzo inquired about how the IROF is funded and why future-year projections show no deposit from IROF into the General Fund.