NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

November 18, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Leader Thune, Leader Schumer, Speaker Johnson, and Leader Jeffries:

We write once again on behalf of state insurance regulators to support immediate Congressional action to extend enhanced premium tax credits for health insurance. Residents of every state and DC will be adversely affected if the enhanced credits are allowed to expire, but it is not too late to provide an extension for 2026.

NAIC has advocated for continuation of the enhanced premium tax credits for Marketplace coverage for over a year. We know the enhanced credits have delivered crucial stability and affordability to individual health insurance markets in our states. The anticipated end of the enhanced credits, however, is disrupting those markets with higher premiums, insurer exits, and steep expected declines in enrollment – in particular, we expect reduced enrollment of young and healthy consumers.

While Open Enrollment for 2026 coverage is underway, Congress still has time to act to extend the enhanced subsidies, maintaining affordability for consumers and restoring stability to individual markets. We urge Congress to approve an extension before December 15 and to look to state regulators to allow any adjustments to underlying health insurance rates.

While extension of the credits would be impactful at any time, December 15 marks the next key date in the enrollment process for 2026 Marketplace coverage. It is the last date for most consumers to actively select a plan that will go into effect on January 1, 2026. After December 15, Marketplaces will reenroll 2025 enrollees who have not selected a 2026 plan into coverage for next year. New and continuing enrollees will receive a bill in December for their January coverage. Without an extension of the credits, the average consumer will see out-of-pocket premiums more than double what they paid in 2025, with many seeing even larger increases.

These high premium bills will result in many consumers choosing not to pay them, particularly younger and healthier enrollees. Without the first payment, coverage will lapse. We expect it will be very difficult to bring these consumers back into coverage, even if Congress approves an extension of the enhanced tax credits in late December or early 2026. With a disproportionately younger and healthier cohort absent from the risk pool, the individual markets in each state will suffer, leading to higher costs for those who keep coverage and more insurers considering market exits. While markets would still welcome an extension of the enhanced tax credits after December 15, they may suffer significant deterioration if action is delayed past that date.

We also urge Congress to include in legislation to extend the credits a clarification on CMS authority to work with states in making updates to health insurance rates in the individual market so that the benefit of the credits can be realized by consumers as soon as possible. The rates now in place for 2026 reflect insurer assumptions about changes to the risk pool due to the end of the enhanced tax credits. Should the enhanced tax credits be extended AND younger/healthier consumers choose to remain in the pool, then the rates that states approved for 2026 would not reflect the latest Congressional action. States will review the rates and some may want to require insurers to make adjustments. There is currently uncertainty about whether CMS has the authority to allow mid-year rate adjustments for Marketplace coverage. Specifying this authority and the need to work in coordination with states in making mid-year adjustments would avoid uncertainties that could keep rates too high longer than necessary.

Any rate adjustments must be thoroughly considered, based on good data, and made under existing state authorities on a state-by-state basis. Despite the need for immediate action to extend the enhanced tax credits, there remains time for deliberations on the underlying rates.

State insurance regulators welcome further discussion with you, your staff, or other members of Congress on the consumer impact and market effects of changes to the tax credits for Marketplace health insurance. We agree that more must be done to address underlying healthcare costs that ultimately drive rising premiums, and we would be pleased to work with Congress on that after markets are stabilized.

Thank you for your efforts on these important issues.

Sincerely,

Jon Godfread
NAIC President
Commissioner
North Dakota Insurance Department

Scott White
NAIC President-Elect
Commissioner
Virginia Bureau of Insurance

Elizabeth Kelleher Dwyer
NAIC Vice President
Director
Rhode Island Department of Business Regulation

Jon Pike
NAIC Secretary-Treasurer
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Utah Insurance Department