

Pennsylvania Insurance Department – Section 1332 Innovation Waiver

Plan Year 2025 Comparative Report

Pennsylvania's Reinsurance Program (PA-Re) created under the Federal Section 1332 State Relief and Empowerment Waiver and enabled by Act 42 of 2019, continues to provide measurable savings. PA Re plays a significant role in driving individual market premiums down. For the fifth year of the reinsurance program, beginning January 1, 2025, the adopted parameters are an attachment point of \$60,000, a cap of \$100,000, and a coinsurance rate of 60 percent.

PA Re projects that under the 1332 waiver, premiums will be about 4.6 percent lower in 2025 than they would have been without the waiver. These are exciting measures for the over 500,000 lives who enroll in the individual health insurance market in Pennsylvania.

The average final second lowest cost silver plan (SLCSP) rates for a representative individual (e.g., a 21-year-old nonsmoker) would have been 435.19 per month without reinsurance. With PA Re, the average rate is 415.16 per month.