AMERICAN ACADEMY of ACTUARIES

NEWS RELEASE

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Contact: David Mendes
(202) 785-7872
mendes@actuary.org

Academy Dissects What the Shifting Health Care and Policy Landscape Could Mean for 2026 ACA Premium Rates and Under-65 Health Insurance Markets

WASHINGTON—The American Academy of Actuaries is providing a timely, nonpartisan lens from the U.S. actuarial profession to help the public, policymakers, and other stakeholders assess how public-policy-driven, cost, and other changes impacting the health care and health policy landscape could affect 2026 Affordable Care Act (ACA) premium rates as well as health insurance markets primarily serving those under age 65.

"Premium changes for a particular plan reflect local market dynamics as well as state legislative and regulatory requirements, but the scheduled expiration of enhanced premium tax credits in 2025, tightening enrollment verification, elevated uncertainty about potential major policy changes when many insurers were filing rates, and drug spending can be counted among the major factors driving 2026 ACA individual-market premium rate changes overall," said Academy Senior Health Fellow Cori Uccello.

These and other factors are examined in the Academy's annual issue brief on ACA premium rate drivers and infographic, which were developed by its Individual and Small Group Markets Committee. Accompanying discussion briefs released today go steps further, examining the types of public policies that support or detract from the individual market's stability, and how the ACA markets and other markets primarily serving the under-65 population are interrelated.

"Changes such as the expiration of enhanced premium tax credits or increased availability of non-compliant plans could destabilize the market by increasing adverse selection and raising premiums," Uccello noted. "Furthermore, policy changes affecting one insurance source such as ACA plans often ripple across the system, which includes other sources such as Medicaid and employer coverage—shifting enrollment patterns, altering risk pools, affecting premiums, and influencing the number of uninsured."

(MORE)

Risk pooling is the concept that describes how insurance aggregates the risks of a population when premiums are calculated. The Academy's issue brief notes that the individual and small group ACA-market risk pools are likely to deteriorate in 2026, leading to higher rates for some plans. A deteriorating risk pool means that the risks within an insured population are increasing, and likely will be more costly to insure. As costs and premiums increase, healthier individuals in particular may seek health insurance elsewhere.

In a first this year, the Academy's issue brief contains an appendix with an illustrative timeline of the lengthy premium rate development process that is driven by regulatory deadlines. Many insurer rate filings were made earlier this year as Congress was deliberating on health policy changes with significant potential impacts. As a result, some insurers had to make pricing decisions without full clarity on changing enrollment dynamics, cost impacts, or risk pool shifts, which may have led in some instances to higher risk margins.

Read the materials and learn more about the Academy's health policy work at actuary.org.

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