



May 15, 2026

The Honorable Jeanne McNeil
Majority Chair
House Children & Youth Committee
38-A East Wing
P.O. Box 202133
Harrisburg, PA 17120-2133

The Honorable Kate Klunk
Minority Chair
House Children & Youth Committee
113 Ryan Office Building
P.O. Box 202169
Harrisburg, PA 17120-2169

RE: House Bill 2490 – Support

Dear Chairperson McNeil, Chairperson Klunk, and Members of the House Children and Youth Committee:

We are writing to express our support for House Bill 2490, a bill that voids contractual provisions in which a county agency or municipal government entity utilizes unilateral waivers of subrogation to limit an insurer's right to seek compensation. In 2021, the legislature unanimously passed House Bill 2214, an important first step to addressing insurance issues by making unenforceable county contract language that shifts all liability to the provider, regardless of who is at fault. Legislators unanimously agreed that the party that caused the harm should be the one bearing the cost. This bill, much like the previous bill, does not diminish a providers' liability for harm caused by their own negligence. Rather, it improves equitable risk allocation by ensuring that providers are responsible for their own liability, and counties are responsible for their own as well.

As you all know, the children's services sector is in a liability insurance crisis that reflects a national trend. Based on an industrywide PCCYFS survey:

- 82% of respondents had no substantiated or indicated incident of physical or sexual abuse in the last 5 years. However, 88% reported experiencing a significant premium increase in general, professional, abuse liability coverage costs - an increase of approximately 40% from a survey we issued in 2020.
- 12% of respondents noted that they no longer have an umbrella policy.
- 44% report that their general, professional, abuse liability policy has been converted to a "claims-made" form of coverage, while a 2020 PCCYFS survey reported only 11% experienced a change to "claims-made" coverage.

At the time of the survey, 12 organizations (35%) reported that they were currently considering closures. 4 organizations (12%) have had to close programs due at least in part to insurance costs. 3 organizations (9%) were unable to open or expand a new program area.

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PCCYFS is a leading statewide membership organization serving as a united voice for our valued partners through education, data, resources, and advocacy towards achieving a brighter future for children, youth, and families.

2 organizations (6%) have had to reduce capacity in their programs related to insurance. These organizations collectively served 7,382 youth/families in the last year.

Anecdotally, we have heard from insurers about the impact that this type of language can have on their underwriting. A unilateral waiver of subrogation can create uncertainty for an insurer who must then evaluate coverage for both a provider and the county with which it is contracting. Removing this waiver can justify improved pricing and/or alleviate insurer risk deterrence. While we are working across a diverse number of partners to identify solutions for provider insurance challenges, we know this issue is a complex one. But we understand that this will be an important step in the right direction.

We respectfully request a favorable vote for House Bill 2490. Please do not hesitate to contact us with any questions.

Sincerely,



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