

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor

AL REDMER, JR.
Commissioner

JAY A. COON
Deputy Commissioner



200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2408 Fax: 410-468-2020
Email: Michael.paddy@maryland.gov
www.insurance.maryland.gov

**TESTIMONY OF
THE
MARYLAND INSURANCE ADMINISTRATION
BEFORE THE
ENVIRONMENT AND TRANSPORTATION COMMITTEE
MARCH 6, 2020**

HOUSE BILL 1464 – VEHICLE LAWS - VEHICLE DATA OWNERSHIP AND USE

POSITION: OPPOSITION

Thank you for the opportunity to provide written testimony in opposition to House Bill 1464, which concerns vehicle data recorders (“VDR”). As written, the bill adds a new Section 22-421 to the Transportation Article and applies to both VDR that are built into the vehicle by the vehicle manufacturer and to VDR that are installed in the vehicle or downloaded onto a smart phone by the vehicle owner in connection with a telematics program offered by an insurance company. The bill would establish that data collected by a VDR is owned and controlled by the vehicle owner. Significantly, the bill prohibits insurers from using the data for specific underwriting and rating purposes. Such statutory prohibitions rightfully belong in the Insurance Article to be enforced by the Maryland Insurance Administration (“MIA”).

Presently, two bills (House Bill 267 and House Bill 270) are pending before the House Economic Matters Committee that addresses the ownership and use of data collected through telematics devices. The MIA has been participating actively in the legislative process with the sponsors of these bills and other stakeholders to ensure that public policy recognizes both necessary consumer protections and the impact on the automobile insurance marketplace. House Bill 1464 will potentially create conflicts with existing law, with changes to existing law that would arise from the passage of House Bill 267 and / or House Bill 270; and, will unnecessarily subject automobile insurers to the authority of a second regulator.

The MIA respectfully suggests that further consideration of House Bill 1464 should not proceed unless the bill removes any reference to insurance underwriting and rating requirements; and, limited to VDR installed by vehicle manufacturers. For these and other valid reasons, the MIA urges an unfavorable report on House Bill 1464.