SENATE BILL 984

C4   5lr2907

By: **Senator A. Washington**
Introduced and read first time: January 28, 2025
Assigned to: Finance

A BILL ENTITLED

1   AN ACT concerning

2   **Private Passenger Motor Vehicle Insurance – Use of Telematics Systems**

3   FOR the purpose of requiring an insurer that issues, sells, or delivers private passenger
4   motor vehicle insurance policies in the State to disclose the use of certain telematics
5   systems and to establish an appeals process by which a policyholder may challenge
6   data the policyholder believes to be erroneous; requiring the Maryland Insurance
7   Administration to adopt regulations limiting the types and amounts of data that may
8   be collected through telematic systems for use by a private passenger motor vehicle
9   insurer; prohibiting an insurer that issues, sells, or delivers private passenger motor
10   vehicle insurance policies in the State from using data obtained through telematics
11   systems to establish certain premiums or to take certain actions with respect to a
12   policy; and generally relating to private motor vehicle insurance and the use of
13   telematics.

14   BY adding to
15   Article – Insurance
16   Section 19–521 and 27–908
17   Annotated Code of Maryland
18   (2017 Replacement Volume and 2024 Supplement)

19   SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20   That the Laws of Maryland read as follows:

21   **Article – Insurance**

22   **19–521.**

23   **(A)   IN THIS SECTION, "TELEMATICS" MEANS A METHOD OF COLLECTING**
24   **DATA RELATED TO ANY OF THE FOLLOWING DATA POINTS REGARDING A VEHICLE OR**

1 DRIVER USING RECORDING SENSORS OR A TELECOMMUNICATIONS DEVICE FOR
2 TRANSMITTAL OF THE DATA, AND A SECURED SERVER TO STORE THE DATA:

3   (1)   VEHICLE SPEED, LOCATION, MILEAGE, AND OPERATING HOURS;

4   (2)   DRIVER ACCELERATION, BRAKING, AND CORNERING HABITS;

5   (3)   ENGINE DIAGNOSTICS; AND

6   (4)   ANY OTHER DATA POINT RELATED TO THE USE AND OPERATION
7 OF THE INSURED VEHICLE THAT HAS BEEN FILED WITH AND APPROVED BY THE
8 COMMISSIONER.

9   (B)   AN INSURER THAT ISSUES, SELLS, OR DELIVERS PRIVATE PASSENGER
10 MOTOR VEHICLE INSURANCE POLICIES IN THE STATE SHALL DISCLOSE TO THE
11 INSURED ANY USE OF TELEMATICS TO OBTAIN DATA OF THE INSURED'S DRIVING
12 HABITS OR VEHICLE.

13   (C)   THE ADMINISTRATION SHALL ADOPT REGULATIONS TO LIMIT THE
14 TYPES AND AMOUNT OF DATA THAT MAY BE COLLECTED BY TELEMATICS SYSTEMS
15 FOR USE BY AN INSURER THAT ISSUES, SELLS, OR DELIVERS PRIVATE MOTOR
16 VEHICLE INSURANCE POLICIES IN THE STATE.

17   (D)   THE ADMINISTRATION MAY REQUIRE AN INSURER THAT USES A
18 TELEMATICS SYSTEM TO PERIODICALLY:

19   (1)   AUDIT THE TELEMATICS SYSTEM TO ENSURE THAT IT COLLECTS,
20 PROCESSES, AND CALCULATES THE IMPACT OF DATA ON INSURER–WIDE PREMIUM
21 RATES IN A MANNER THAT IS ACTUARIALLY SOUND AND FREE OF UNFAIR BIAS; AND

22   (2)   SUBMIT A REPORT TO THE ADMINISTRATION SUMMARIZING THE
23 SCOPE, METHODOLOGIES, AND FINDINGS OF THE AUDIT.

24 27–908.

25   (A)   IN THIS SECTION, "TELEMATICS" HAS THE MEANING STATED IN § 19–521
26 OF THIS ARTICLE.

27   (B)   AN INSURER THAT ISSUES, SELLS, OR DELIVERS PRIVATE PASSENGER
28 MOTOR VEHICLE INSURANCE POLICIES IN THE STATE MAY NOT USE DATA OBTAINED
29 THROUGH TELEMATICS FROM A SPECIFIC VEHICLE, WHOLLY OR PARTLY:

1   **(1)**   FOR ESTABLISHING AN INSURANCE PREMIUM FOR THE POLICY
2 THAT INSURES THAT VEHICLE; OR

3   **(2)**   TO CANCEL, REFUSE TO RENEW, OR REFUSE TO UNDERWRITE A
4 PRIVATE PASSENGER AUTOMOBILE INSURANCE POLICY.

5   **(C)**   AN INSURER THAT IMPLEMENTS THE USE OF A TELEMATICS SYSTEM
6 SHALL ESTABLISH A PROCESS BY WHICH THE POLICYHOLDER MAY CORRECT OR
7 APPEAL TELEMATICS DATA THAT THE POLICYHOLDER BELIEVES IS ERRONEOUS.

8   SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Insurance
9 Administration shall adopt the regulations required under § 19–521(c) of the Insurance
10 Article, as enacted by Section 1 of this Act, on or before December 31, 2025.

11   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2025.