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To: The Honorable Dereck E. Davis
Chair, Economic Matters Committee

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 267 – Private Passenger Automobile Insurance – Use of Vehicle
Telematics (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 267 submitted by Delegates Courtney Watson and Kathleen M. Dumais. This bill provides that telematics may be used by a private passenger insurer for rating the policy and claims investigation, but may not be sold or provided to another person for consideration.

Vehicle telematics are now being used by a number of insurers to help ascertain the rates for a private passenger automobile policy based on the actual usage of the vehicle. While insurers use this information to rate policies and assist in claims investigations, functions for which the telematics are designed, consumers should not be subjected to having their information sold for marketing and other purposes. Consumers should be able to take advantage of the benefits of telematics if they are good drivers without being forced to having their information sold to unrelated entities.

Private passenger auto insurance is mandated in Maryland. Consumers cannot legally escape purchasing the coverage if they own an automobile. If there are means by which they may be able to lower the cost of this mandatory product, consumers should not be faced with having to decline this potential reduction in premium or running the risk of having information about their driving habits shared with other parties.

For these reasons, we ask that the Economic Matters Committee return a favorable report on this bill.

cc: The Honorable Courtney Watson
The Honorable Kathleen M. Dumais
Members, Economic Matters Committee

