

STATE FARM INSURANCE COMPANIES

SENATE BILL 726 (PERSONAL DELIVERY DEVICES – STANDARDS AND
REQUIREMENTS)

POSITION: FAVORABLE WITH AMENDMENT

State Farm supports SB 726 with an amendment to change the term “personal delivery device” to “automated delivery device” throughout the bill. State Farm believes that “automated” is a far more accurate description of these devices than “personal.” Further, the use of “personal” creates the potential for a claim that these devices (and the liabilities associated with operating them) should be covered under standard personal and business car policies, which could have the effect of spreading the claim costs of these devices across all insureds. We note that there is no limitation in the bill on who may deploy these devices; they can be used by individuals and small businesses in the future, not just the very large companies that are using this technology now. In enacting the legislation governing the operation of transportation network companies (such as Uber) several years ago, the Maryland General Assembly made clear that this activity must be covered under a separate policy or endorsement providing for coverage, and is not covered under standard auto policies. The same requirement should apply in this context.

Accordingly, State Farm requests that the word “personal” be changed to “automated” throughout the bill.