

WES MOORE  
Governor

ARUNA MILLER  
Lt. Governor



MARIE GRANT  
Acting Commissioner

JOY Y. HATCHETTE  
Deputy Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202  
Direct Dial: 410-468-2113  
1-800-492-6116 TTY: 1-800-735-2258  
[www.insurance.maryland.gov](http://www.insurance.maryland.gov)

**Date:** March 26, 2025

**Bill # / Title:** Senate Bill 984 - Private Passenger Motor Vehicle Insurance - Use of Programs That Measure the Operation of an Insured Vehicle

**Committee:** House Economic Matters Committee

**Position:** Support with Amendments

The Maryland Insurance Administration (“MIA”) appreciates the opportunity to share its support for Senate Bill 984 with amendments.

As already amended, Senate Bill 984 would require a private passenger automobile (“PPA”) insurer that uses a program that measures the operation of an insured vehicle (i.e., a “telematics system”) to: (i) disclose to insureds which data about insureds’ driving habits and/or vehicles is collected through the system; and (ii) establish a process by which insureds can contest the accuracy of data collected through the system. The bill would prohibit an insurer from increasing the premium rate for a PPA policy based on data collected through a telematics system at increments of less than six months. The bill would also prohibit an insurer from cancelling, refusing to renew, or refusing to underwrite a PPA policy based on data collected through a telematics system. Finally, the bill would direct the MIA to adopt regulations limiting the types and amount of data that PPA insurers can collect through telematics systems, and permit the MIA to require a PPA insurer to implement and report on its telematics governance plan.

The MIA has been working to better understand how insurers employ telematics systems. In December of 2024, the MIA issued a survey to the top 18 PPA insurers, accounting for approximately 81% of the Maryland market based on their total written premium in 2023. The purpose of the survey was to obtain preliminary insights into how many policyholders are currently enrolled in a telematics program, how these programs function, and what safeguards are in place to protect enrollees. Responses to the preliminary survey gave rise to new questions concerning telematics practices by PPA insurers. The MIA intends to gather additional data, likely through a follow-up survey, and publish a comprehensive report on its findings in the coming weeks. In the meantime, the MIA sees several provisions of the bill as an important step towards enhancing consumer protections and transparency in relation to telematics programs.

The MIA supports provisions of the bill that require insurers that utilize telematics systems to provide certain disclosures to insureds and to establish a process by which insureds can contest the accuracy of data collected through a telematics system. The MIA also supports provisions of the bill that authorize the MIA to regulate insurers' data collection through and governance of telematics systems.

The MIA does not take a position on the provision of the bill that prohibits an insurer from cancelling, refusing to renew, or refusing to underwrite a PPA policy based on data collected through a telematics system. In effect, this provision would prohibit a PPA insurer from requiring that its insureds participate in a telematics program. The MIA notes that it is not only prominent automobile manufacturers that currently engage in this practice - several smaller insurtech companies that are licensed in Maryland do as well.

The MIA understands that § 19-521, which the bill would add to the Insurance Article, is intended to apply only to PPA insurers. As currently drafted, certain provisions under this section reference PPA insurers, while other provisions reference insurers more generally. The MIA would suggest an amendment to clarify that § 19-521 applies only to PPA insurers.

Finally, the MIA suggests amendments to delay and clarify the effective date for provisions of the bill that apply to PPA insurers (as opposed to those that direct the MIA to take regulatory action). First, the MIA suggests that the effective date be pushed back from October 1, 2025 to January 1, 2026 in order to provide insurers adequate time to implement the appropriate operational updates. Second, the MIA suggests that the bill be amended to explicitly state that it applies to PPA insurance contracts entered into or renewed on or after the bill's effective date.

For the reasons set forth above, the MIA recommends a favorable committee report on Senate Bill 984 with additional amendments, and thanks the Committee for the opportunity to share its feedback.