

March 34, 2025

Members of the House Economic Matters Committee

Re: NAMIC Opposition to SB 984 - Private Passenger Motor Vehicle Insurance - Use of Programs That Measure the Operation of an Insured Vehicle

Members of the Committee,

The National Association of Mutual Insurance Companies (NAMIC) is reaching out to express our concerns with Senate Bill 984, regarding the use of telematics systems in private passenger motor vehicle insurance policies.

NAMIC is the largest property and casualty insurance trade association in the country, with more than 1,300 member companies. NAMIC supports regional and local mutual insurance companies as well as some of the country's largest national insurers. NAMIC member companies write \$383 billion in annual premiums nationally, and our members account for 61 percent of homeowners, 48 percent of automobile, and 25 percent of the business insurance markets.

NAMIC is a firm believer in transparency and fairness for all policyholders. It is important to keep in mind that all telematics programs in Maryland are voluntary. In other words, an insurer and its policyholders must both agree to engage in the telematics program. As such, when a policyholder is provided with the opportunity to engage in a telematics program, they are informed of the insurer's use or potential of the data.

SB 984's restrictions on telematics data to determine premiums or take actions on policies that undermine the effectiveness of these systems, which help promote safe driving as well as more accurate premium pricing. In addition to this, the requirement to establish an appeals process for challenging telematics data could lead to an increase in administrative burdens and operational costs. This would, in turn, drive up premiums for all policyholders.

For these reasons, NAMIC strongly opposes Senate Bill 984 and respectfully requests that an unfavorable report be issued for the bill.

Sincerely,



Gina Rotunno
Regional Vice President
Mid-Atlantic Region



Steve Kiefer
Chairman, The Kiefer Foundation
March 21, 2025

Senate Finance Committee
Maryland General Assembly
Annapolis, MD

Dear Chair and Members of the Committee,

My name is Steve Kiefer, and I am the Chairman of The Kiefer Foundation, a nonprofit organization committed to eliminating distracted driving and saving lives through education, advocacy, and technology. I am writing in strong opposition to SB984, a bill that would restrict insurers' use of telematics data in pricing and underwriting auto insurance.

Telematics programs offer a powerful opportunity to improve roadway safety by monitoring real-world driving behaviors — including distracted driving, speeding, and hard braking — and rewarding drivers who make safer choices. These programs have been shown to reduce crash risk and save lives when implemented responsibly.

SB984 would reduce the impact that telematics-based risk factors like distracted driving have on insurance premiums. As a result, risky behavior behind the wheel may no longer carry financial consequences, while safer drivers lose the opportunity to be rewarded. That's not just unfair — it weakens one of the most effective safety tools currently available to us.

Shouldn't we be incentivizing drivers to reduce risk and rewarding them when they do? That's exactly what telematics enables. When drivers receive clear feedback from their insurer and have the ability to earn discounts by improving their habits, they often change the way they drive. It's a rare example of technology and insurance working together to promote public safety.

Privacy and transparency are critically important — and should be prioritized. But strong programs already exist that respect those principles. Today, there are hundreds of telematics-based insurance programs in the market that give drivers visibility into the data being used, and more importantly, show which behaviors contribute to their risk. That clarity empowers drivers to take control, adjust their behavior, and help prevent crashes.

Weakening these tools does not protect consumers — it removes their ability to understand and influence their own risk behind the wheel.

On behalf of The Kiefer Foundation, I urge you to vote NO on SB984 and support policies that empower drivers to be safer, reward responsible behavior, and ultimately reduce distracted driving on Maryland's roads.

Sincerely,

Steve Kiefer
Chairman, The Kiefer Foundation