



American Property Casualty Insurance Association

Senate Finance Committee

SB0984 Private Passenger Motor Vehicle Insurance - Use of Telematics Systems

March 5, 2025

Unfavorable

The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 64% of the personal auto insurance market in Maryland. The bill. APCIA opposes this legislation which would at best discourage and at worse prohibit insurers from offering programs based on a person's actual driving behaviors as well as providing real time feedback for the driver that they can use to become a safer driver.

As the bill is currently drafted, it requires an insurer that issues, sells, or delivers private passenger motor vehicle insurance policies in the State to disclose the use of certain telematics systems and to establish an appeals process by which a policyholder may challenge data the policy holder believes to be erroneous; prohibiting an insurer from using data obtained through telematics systems to establish premiums or to take certain actions with respect to a policy. The bill is unnecessary as the Maryland Insurance Administration (MIA) already has and uses the authority it already has to review telematic rating plans to ensure they are compliant with current insurance laws.

The language of the bill is also vague in that it asks the MIA to limit the type of data that can be collected but provides no details on what those limits should be. In addition, Section 27-908 states that an insurer "may not use" telematic data from a specific vehicle to set a premium or cancel or non-renew a policy. This language appears to ban any use of telematics by insurers, and eliminate an increasingly popular, and cost saving option for Maryland drivers

For these reasons, APCIA urges the Committee to provide an unfavorable report on Senate Bill 984.

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