

STATE FARM INSURANCE COMPANIES

Senate Bill 984 (Private Passenger Motor Vehicle Insurance – Use of Telematics Systems)

Position: Opposed

State Farm opposes Senate Bill 984 (Private Passenger Motor Vehicle Insurance – Use of Telematics Systems). As drafted, this bill would restrict insurers' ability to use data variables that are highly predictive of losses. Specifically, it would impact insurers' ability to use telematics factors to make underwriting decisions and, overall, make it more difficult to administer telematics programs in the state. This would also require insurers to audit a telematics program using a vague "unfair bias" standard, contrary to the longstanding and well-understood "unfairly discriminatory" actuarial standard under Maryland law. Additionally, Maryland law already provides for regulatory oversight by the Maryland Insurance Administration and consumer protection around insurers' use of telematics, so this bill is unnecessary.