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**Date:** February 11, 2026

**Bill # / Title:** Senate Bill 351 - Private Passenger Motor Vehicle Insurance - Use of Programs That Measure the Operation of an Insured Vehicle

**Committee:** Senate Finance Committee

**Position:** Support with Amendments

The Maryland Insurance Administration (“MIA”) appreciates the opportunity to share its support for Senate Bill 351 with amendments.

Senate Bill 351 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 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. While many policyholders enroll in telematics programs with the expectation that enrollment will positively impact their premium rates, the results of a recent MIA survey indicate that this is not necessarily a probable outcome. The MIA’s survey of the top 18 insurers representing 80.9% of Maryland’s PPA market found that there was only about a 31.16% chance that a policyholder would experience a premium decrease due to their enrollment in a telematics program in 2023.<sup>1</sup> The MIA receives numerous complaints from policyholders who do not understand or agree with the reasons that their premium rates have

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<sup>1</sup> *Telematics Survey Report - Auto Insurance Market in Maryland*, Maryland Insurance Administration (Jul. 2025): <https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/Telematics-Survey-Report-2025.pdf>.

changed based upon the insurer's measurements of their driving behavior through a telematics system. Policyholders should be able to communicate directly with their insurers to resolve disputes concerning data collected through telematics programs or how such data may affect their premium rates.

The MIA also supports provisions of the bill that authorize the MIA to regulate insurers' data collection through and governance of telematics systems. It is expected that telematics programs will continue to evolve and expand. As telematics technology and uptake increases, insurers will likely find new ways to more precisely price individualized risks based on data collected through telematics programs. These provisions of the bill would give the MIA appropriate regulatory oversight over how insurers process and use telematics data, and ensure that insurers implement processes to timely flag and mitigate any potentially unfairly discriminatory or otherwise unlawful application of telematics data.

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. It is possible that the provision may result in fewer telematics product options in Maryland.

Section 12-307, which the bill would add to the Insurance Article, reads in part: "an insurer may not initiate a premium increase in increments of less than 6 months from the date the policy goes into effect." The MIA would recommend striking as surplusage "from the date the policy goes into effect."

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, 2026 to January 1, 2027 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 351 with amendments, and thanks the Committee for the opportunity to share its feedback.