

STATE FARM INSURANCE COMPANIES

Senate Bill 351 (Private Passenger Motor Vehicle Insurance – Use of Programs That Measure the Operation of an Insured Vehicle)

Position: Opposed

State Farm opposes Senate Bill 351 because it would negatively impact insurers' ability to use telematics factors to make underwriting decisions. The bill limits insurers' ability to innovate and use data to accurately predict risk. By limiting the ability of insurers to design their telematics programs, the bill would reduce the availability of different types of telematics products to consumers and what may work best for their individual needs. The bill would also require the creation of an appeals process, governance plans, and reporting obligations, but fails to define or outline what these requirements will be. This uncertainty and broad drafting could open insurers up to overly burdensome regulations. Overall, the bill would make it more difficult to administer telematics programs in the State, and could potentially reduce the number of insurers willing or able to offer telematics programs in Maryland. Telematics programs put individual users in the best position to control their own overall driving risks. By presenting telematics users with a transparent and accurate product that provides real-time feedback, this encourages them to be safer drivers on the road. Introducing barriers to offering these programs is not in the best interest of consumers or the driving public in Maryland.