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Finance Committee



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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

February 11, 2026

The Honorable Pamela Beidle, Chair  
Senate Finance Committee  
Maryland Senate  
Annapolis, Maryland

Re: Senate Bill 351 - Private Passenger Motor Vehicle Insurance - Use of Programs That Measure the Operation of an Insured Vehicle

Dear Chair Beidle and Members of the Committee:

I respectfully write in support of Senate Bill 351, which would require private passenger automobile insurers that use a program that measures the operation of an insured vehicle to disclose the data collected, establish a process by which insureds can contest the accuracy of the data, and prohibit insurers from increasing the premium rate for a policy based on data collected at increments of less than 6 months from the date the policy goes into effect.

The program uses a telematics system that measures the operation of an insured vehicle to collect data, like speed or hard braking, and transmits the data back to insurers to inform them about the driving behaviors of policyholders. This telematics program poses serious implications for invasion of policyholders' privacy and influencing their premium rates. Currently, insurers may not require an applicant or a policyholder to participate in the telematics program as a condition for underwriting a private passenger motor vehicle insurance risk, with a few exceptions. Additionally, if an insured files a protest to go to a hearing in response to a submitted complaint to the MIA, they do have the ability to provide data to support the findings that lead to a premium increase as a result of the collection of data.

There has been a consistent and gradual increase in the number of Maryland consumers enrolled in a telematics program through their auto insurer, increasing by about 45% from 2021-2023. Theoretically, the telematics system could lower costs for good drivers and encourage safe driving behavior, but that is not true. The MIA's survey of the top 18 insurers in Maryland revealed 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 while most drivers did not save money.

This bill emphasizes consumer privacy, limits unreasonable premium increases, and gives the MIA more authority to ensure that the program does not collect or process data that is discriminatory. The bill would give the MIA appropriate regulatory oversight over how insurers process and use telematics data, and ensure that insurers implement a governance plan to timely flag and mitigate any potentially unfairly discriminatory or otherwise unlawful application of telematics data. This legislation does not eliminate the telematics program altogether or prevent insurance companies from offering the program and collecting data.

The bill can fill in gaps in current policy regarding telematics by protecting consumers from discrimination, enforcing disclosure and honesty, maintaining privacy of data, and prohibiting insurers from increasing premiums unreasonably. Allowing policyholders to have more of a say in how their personal data is used and the ability to appeal if necessary puts the power back in the hands of consumers.

For these reasons, I respectfully request a favorable report on Senate Bill 351.

With Regards,

A handwritten signature in black ink, appearing to read 'Alonzo T. Washington', with a long horizontal flourish extending to the right.

Alonzo T. Washington  
Maryland State Senate  
District 22