

SB351 - 2026 - MAJ Written Testimony .pdf

Uploaded by: Alison Dodge

Position: FAV



2026 WRITTEN TESTIMONY

PRIVATE PASSENGER MOTOR VEHICLE INSURANCE - USE OF PROGRAMS THAT MEASURE THE OPERATION OF AN INSURED VEHICLE

SB 351 - FAVORABLE

The Maryland Association for Justice urges a Favorable report on SB 351. This bill requires automobile insurance companies to notify their policyholders regarding use of programs that measure the operation of motor vehicles, requires the Motor Vehicle Administration to adopt regulations that limit the types and amounts of data that may be collected by such programs, and authorizes the MVA to require insurers to monitor data collection to ensure that such collection is based on sound actuarial principles, and is non-discriminatory.

The Maryland Association for Justice supports transparency between insurance companies and their insureds. Every Marylander has a right to know if their insurance company is using a software program to monitor the operation of their private motor vehicle. Marylanders equally have a right to challenge an increase in insurance premiums that is based on the collection of erroneous data. MAJ believes that the State of Maryland has an obligation to ensure that private corporations do not overstep or abuse their ability to collect private data, especially if such data collection would result in discriminatory practices, or practices that are not based on a sound actuarial justification.

Maryland Association for Justice urges a FAVORABLE Report on SB 351.

About Maryland Association for Justice

The Maryland Association for Justice (MAJ) represents over 1,250 trial attorneys throughout the state of Maryland. MAJ advocates for the preservation of the civil justice system, the protection of the rights of consumers and the education and professional development of its members.

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SB351 PPMV Insurance-Use of Programs-EconAction FA

Uploaded by: Marceline White

Position: FAV



**SB351 Private Passenger Motor Vehicle Insurance-Use of Programs that Measure the
Operation of the Insured Vehicle
Position: FAV**

February 11, 2026

The Honorable Pam Beidle, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Senate Finance

Chair Beidle and Members of the Committee,

Economic Action Maryland Fund supports SB351 which expands transparency and consumer protections related to the use of telematics in auto insurance.

Auto insurance rates have increased more than 20% for many drivers over the past 5 years. Economic Action Maryland Fund recently conducted a survey of more than 500 Marylanders statewide and found that 74% of survey respondents had seen their auto insurance increase in the past year, with 65% seeing an increase between \$50-\$250 a year in their costs. Coupled with rising costs for utilities, medical care, and food, drivers are eager to find ways to reduce their insurance rates.

Under these circumstances, telematics programs may appeal to drivers as a way to save money and get rates more fairly tailored to their actual driving practices. Under such programs drivers agree to let insurers collect data about how they drive, in the hope that they'll be rewarded with significant discounts if they're viewed as safe drivers. Leading insurers claim that participants in these programs can save 15% to 40% on their insurance rate¹.

Unfortunately, the Maryland Insurance Administration's (MIA) 2025 report on the use of telematics found that *there was roughly only a 31.16% chance that a policyholder would experience a premium decrease due to their enrollment in a telematics program*².

1

https://consumerfed.org/press_release/consumer-reports-investigates-auto-insurance-telematics-program-s-highlighting-whats-known-and-unknown-about-consumer-data-collected-and-used-by-insurers/

2

<https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/Telematics-Survey-Report-2025.pdf>

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.



To enroll in a telematics program, consumers agree to allow programs to collect a large degree of data about their driving habits. Yet, the savings seem unlikely to materialize for many drivers.

SB351 ensures that consumers have clear, transparent notice about the use of telematics prior to initiating or renewing a policy. The MIA's report underscores the importance of notice finding that *consumers need to be aware of what is collected and how the data is used prior to consenting to enroll in one of these program*. The programs require active monitoring and engagement by the driver.

In response, SB351 requires insurers to provide a governance plan related to their data collection, use of algorithms and underwriting, and more. While the governance plan is not prescriptive, this will ensure that all insurance companies that use telematics **have** a governance plan and provide reports to the MIA.

As insurance rates soar across the state and consumers seek new ways to reduce costs, telematics provide one avenue for price decreases. SB351 provides important transparency and oversight for this technology.

For all these reasons, we support SB351 and urge a favorable report.

Best,

Marceline White
Executive Director

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

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Marceline White · Marceline@EconAction.org | Jennifer Bevan-Dangel · Jennifer@EconAction.org

Testimony in Support of SB 351-Telematics Bill.pdf

Uploaded by: Michael DeLong

Position: FAV



Testimony of the Consumer Federation of America in Support of SB 351—
Private Passenger Motor Vehicle Insurance—Use of Programs That
Measure the Operation of an Insured Vehicle

February 9th, 2026

Chair Pamela Beidle
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401
410-841-3677
Pamela.beidle@senate.maryland.gov

Cc: Vice Chair Antonio Hayes, Committee Members

The Consumer Federation of America (CFA) urges your support for [SB 351](#)—Private Passenger Motor Vehicle Insurance—Use of Programs That Measure the Operation of an Insured Vehicle. Sponsored by Senator Alonzo Washington, this bill would establish basic and badly needed consumer protections for drivers who participate in insurance company telematics programs. Currently, Maryland has few safeguards to ensure that these programs help consumers and that consumer data is not misused by insurers.

Telematics, also known as usage-based insurance (UBI), collects data about consumers' driving behavior via mobile apps, plug-in devices, and from the cars themselves. Insurance companies then analyze that data and use it to assess consumer patterns and calculate insurance premiums. The premium savings and surcharges vary by insurer, with some insurers discounting rates to high scorers but not surcharging those with worse scores, while others raise rates on poor scoring drivers. Driving behaviors used in these telematics programs often include: 1) hard braking, 2) the time of day or night driven, 3) in-vehicle phone use, 4) distance or miles traveled, 5) acceleration, 6) speed, and 7) cornering (how quickly and sharply a driver goes around corners). However, CFA's research, and the research of other consumer advocates, indicates there are several other data points collected and used by insurers including, possibly, location of driving.

With proper regulation and oversight, telematics/UBI can benefit consumers by more accurately matching insurance rates to risk, promoting safer driving behavior, and reducing insurers' use of unfair socioeconomic factors like credit scores in auto insurance pricing and underwriting. But there are major concerns about accountability and transparency in these programs, so telematics programs demand guardrails including consumer privacy protections, limits on the data that can be collected and how it can be used by insurance companies, and stronger oversight of the algorithms used for pricing and whether other rating factors with less or no connection to driving continue to be used in conjunction with the driving monitoring of telematics programs.

Over the past few years, companies have aggressively promoted telematics through traditional advertising, jingles, celebrity endorsements, and subtle conditioning. Despite this promotion, most consumers do not participate in these programs, and many have substantial concerns about them. These concerns include questions about the accuracy and privacy of the data collected by telematics, what data points are collected and how insurers use them, vulnerability to hacks and data breaches, concerns about the use of data in the claims process, and a belief that telematics may not lead to savings.

Consumers' concerns are well-founded. The Maryland Insurance Administration (MIA) issued a 2024 report on telematics, which found that out of the 2,296,713 Maryland drivers with auto insurance policies, 303,845 are enrolled in telematics programs, or 13% of all drivers in the state. The report also found that most Maryland drivers did *not* save money on auto insurance by enrolling in telematics. Instead, 31% of drivers enrolled in these programs saw their premiums go down, 24% of drivers saw their premiums go up, and 45% of drivers saw no premium change.¹

SB 351 would implement several basic consumer protections regarding telematics programs. First, it requires insurance companies to establish a clear process by which consumers can correct or appeal data

¹ "Telematics Survey Report: Auto Insurance Market in Maryland." Maryland Insurance Administration. July 2025. Available at <https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/Telematics-Survey-Report-2025.pdf>.

collected by these programs that they believe is incorrect. There have been anecdotes of telematics programs gathering data that is incomplete or incorrect, and as a result insurers have charged consumers higher premiums. One example includes consumers being penalized for using their phones when they were passengers in a car, while the telematics program thought they were drivers. Maryland Insurance Commissioner Marie Grant stated that Maryland receives a lot of complaints about limited options for consumers to challenge erroneous information gathered by these programs,² and this provision will help solve this problem.

Second, the Maryland Insurance Administration will adopt regulations to limit the type and amount of data that can be collected by telematics programs in Maryland. We applaud this section because currently Maryland does not have specific safeguards for consumer data. There should be strict limits on data collection and use by telematics—data collected by these programs should only be used for auto insurance rating and effective management of the insurance policies. Insurance companies should only collect data needed to calculate premiums in accordance with the approved programs. And the data gathered should not be sold, loaned, rented, monetized, or used in any way beyond the approved auto insurance purposes.

Third, the Maryland Insurance Administration may require insurance companies to establish and implement governance plans. These plans must ensure that telematics programs do not collect or process data that results in unfair discrimination or that is not actuarially justified (meaning that insurance premiums aren't based on accurate data, good risk analysis, and reasonable costs and benefits). If the data collected by the telematics program does result in unfair discrimination or isn't justified, that needs to be corrected. The MIA can also require periodic reports from insurance companies on these governance plans.

This section is especially important because while telematics programs could result in benefits, they also have grave potential for unfair

² "Maryland Insurance Commissioner Backs Insurer-Opposed Telematics Regulation Bill." By Lurah Lowery. Repairer Driven News. March 7th, 2025. Available at <https://www.repairerdrivennews.com/2025/03/07/maryland-insurance-commissioner-backs-insurer-opposed-telematics-regulation-bill/>.



discrimination and overcharging for various drivers. To give one possible example: most telematics programs regularly charge higher premiums based on the time of day or night driven, meaning policyholders who drive during the night get charged more. Insurers' use of this factor could result in higher premiums for many Black or Latino drivers because Black and Latino consumers are more likely to have jobs where they have to work late hours, work an overnight shift, or start work very early in the morning. We hope that the MIA will consider this possible example of racial bias, and stress that insurers' use of the time of day or night driven, or other data and factors, must not result in unfair discrimination.

Lastly, the bill prohibits insurance companies from using data collected by telematics programs to cancel, refuse to renew, or refuse to underwrite drivers.

SB 351 will establish elementary consumer protections and stronger regulation of telematics programs in Maryland. It will help ensure that drivers benefit from these programs, that their driving data is protected, and that they are not unfairly discriminated against.

The Consumer Federation of America urges a favorable report on SB 351. Please contact us at mdelong@consumerfed.org with any questions.

Sincerely,

Michael DeLong
Research and Advocacy Associate
Consumer Federation of America



SB351_SponsorTestimony

Uploaded by: Senator Alonzo Washington

Position: FAV

ALONZO T. WASHINGTON
Legislative District 22
Prince George's County

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

SB 351 - MIA - SWA.pdf

Uploaded by: Marie Grant

Position: FWA

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



MARIE GRANT
Commissioner

JOY Y. HATCHETTE
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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 2023.¹ The MIA receives numerous complaints from policyholders who do not understand or agree with the reasons that their premium rates have

¹ *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.

NAMIC Letter Opposing SB 351.pdf

Uploaded by: Gina Rotunno

Position: UNF

February 9, 2026

The Honorable Pam Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: NAMIC Opposition to SB 351- Private Passenger Motor Vehicle Insurance - Use of Programs That Measure the Operation of an Insured Vehicle

Members of the Senate Finance Committee,

The National Association of Mutual Insurance Companies (NAMIC) is reaching out to express our concerns with Senate Bill 351, regarding the use of telematics systems in private passenger motor vehicle insurance policies.

The National Association of Mutual Insurance Companies (NAMIC) is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies—including local and regional insurers as well as some of the nation’s largest carriers—NAMIC members collectively write \$467 billion in annual premiums, representing 61% of the homeowners and 53% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect our members and their policyholders.

NAMIC is a firm believer in transparency and fairness for all policyholders. It is important to keep in mind that all telematics programs in Maryland are voluntary. In other words, an insurer and its policyholders must both agree to engage in the telematics program. As such, when a policyholder is provided with the opportunity to engage in a telematics program, they are informed of the insurer’s use or potential of the data.

SB 351's restrictions on telematics data to determine premiums or take actions on policies that undermine the effectiveness of these systems, which help promote safe driving as well as more accurate premium pricing. In addition to this, the requirement to establish an appeals process for challenging telematics data could lead to an increase in administrative burdens and operational costs. This would, in turn, drive up premiums for all policyholders.

For these reasons, NAMIC strongly opposes Senate Bill 351 and respectfully requests that an unfavorable report be issued for the bill.



Sincerely,
Gina Rotunno
Regional Vice
President Mid-Atlantic
Region

State Farm Testimony on SB351 (Telematics).pdf

Uploaded by: Marta Harting

Position: UNF

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.

SB0351 Telematics FINA 021126 UNF.pdf

Uploaded by: Nancy Egan

Position: UNF



**Testimony of the
American Property Casualty Insurance
Association
Senate Finance Committee**

**SB 351 Private Passenger Motor Vehicle Insurance - Use of Programs That Measure the
Operation of an Insured Vehicle**

February 11, 2026

Unfavorable

The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 67.4% of the personal auto insurance market in Maryland. APCIA is concerned about this legislation which would at best discourage and at worst prohibit some insurers from offering programs based on a person's actual driving behavior as well as providing real time feedback for the driver that they can use to become a safer driver. The bill would be the most extensive set of restrictions on telematics-based auto insurance programs in the country. Companies will be forced to look long and hard at their existing programs in terms of cost benefit and, as currently written, could likely discourage others (especially smaller companies) from offering such programs.

In addition, as drafted, companies that only offer telematics-based auto insurance programs would no longer be able to operate as they currently do in Maryland, forcing them to either do business in a completely different way (incurring significant expense to do so) or to forgo doing business in the state. To have vibrant personal auto marketplace with many options for consumers, companies should not be discouraged from offering different options in the marketplace. Especially a product that has the added benefit of helping Marylanders be safer drivers

As Senate Bill 351 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 ; requires an insurer to establish an appeals process by which a policyholder may challenge data the policy holder believes to be erroneous; permits the Maryland Insurance Administration to set regulations limiting the types and amount of data collected; sets up a separate governance program targeting telematics; bans companies that use telematics to operate in the state if they only offer telematics; and prohibits all insurers from using telematics information to cancel or refuse to renew or underwrite a risk for private passenger insurance. In addition, it is not clear whether the bill applies to commercial auto insurance.

APPEALS PROCESS 19-521 (B)

APCIA members are concerned with understanding the appeals process envisioned by the MIA. There is already an active consumer complaint process in place for consumers. This adds another cost to offering telematics in the state that measures actual driving. Most telematics auto insurance programs provide ride by ride feedback to the driver, with the opportunity to make corrections for if an individual was a passenger, rather than a driver for that ride. Does that qualify as an appeals process? Companies are concerned that this could result in volumes of MIA complaints and challenges which would be time-consuming and costly to both the MIA and the insurer. There are no details of what this would encompass, and the MIA needs to provide better guidance or language. This has been discussed with the MIA.

GOVERNANCE STANDARD CONCERNS PAGE #3 19 -521 (D)

The standard being advanced in this amendment is technically more stringent than what is required under the Maryland Underwriting Discrimination Statute. Insurers are already required to meet these standards when submitting their rating plan and which are reviewed and approved by the MIA. What isn't clear is if companies have an existing governance plan in place, would that qualify? There is no audit procedure in place for any other rating feature; this process should be established so as not to be arbitrarily initiated and overly burdensome to insurers. The language needs to be amended to the current underwriting standards. This has been discussed with the MIA.

THE LEGISLATION WOULD PUT COMPANIES THAT ONLY OFFER TELEMATICS OUT OF BUSINESS IN MARYLAND

Page 3-4 4 - 27-501. See the brackets removing the language. APCIA requests the brackets be removed to permit companies to continue to operate.

Those companies that only offer telematics programs and inform the applicant as such would no longer be able to operate as they don't offer alternate pricing plans. Participating in a telematic program is voluntary for any applicant. This is covered by the marketplace - if the consumer does not wish to have a telematics-based insurance plan, they can go to a traditional carrier. It should not require that insurance providers must offer both a telematics and non-telematics product. This has been discussed with the MIA.

INABILITY TO UNDERWRITE A RISK DUE TO BAD DRIVING BEHAVIOR

Page 4 Section 27-501 Lines 21-22

These amendments would not permit a company based on an insured's data of driving history to cancel or non-renew due to their risky behavior. Risker drivers would not face any consequences. This defeats the purpose of rewarding safer drivers and not rewarding bad drivers. If insurers only offer telematics, how do they stop writing a risk? The blanket prohibition on using the data to refuse to renew/cancel can be troublesome. The data collected can speak to substantial increase in hazard, misrepresentation, fraud, etc. Those are generally proper bases for cancellation/non-renewal.

IT IS NOT CLEAR THIS IS ONLY APPLIES TO PRIVATE PASSENGER VEHICLES NOT COMMERCIAL AUTO

19-521 Line 37 (B) and Line 4 (D)

The intent of the legislation is to regulate private passenger auto telematics program, but the language does not specify in section 19-521. Here is suggested language to make sure it only applies to private passenger auto:

ADD

Line 37 (B) AN INSURER THAT **THAT ISSUES, SELLS, OR DELIVERS PRIVATE MOTOR VEHICLE INSURANCE POLICIES IN THE STATE** IMPLEMENTS THE USE OF A PROGRAM THAT 14 MEASURES THE OPERATION OF AN INSURED VEHICLE SHALL ESTABLISH A PROCESS

ADD

Line 3 (D) THE ADMINISTRATION MAY REQUIRE AN INSURER **THAT ISSUES, SELLS, OR DELIVERS PRIVATE MOTOR VEHICLE INSURANCE POLICIES IN THE STATE** THAT USES A TELEMATICS SYSTEM PROGRAM THAT MEASURES THE OPERATION OF AN INSURED

CHANGE

SECTION 3- If this legislation should pass, a delayed effective of January 1, 2027 would be needed to implement system changes.

In its current posture, APCIA is opposed to the legislation.

Nancy J. Egan, State Government Relations Counsel, Mid-Atlantic,

Nancy.egan@APCIA.org

Cell: 443-841-4174