

November 24, 2025

Attn: Kathryn Callahan
Director of Regulatory Policy
Maryland Insurance Administration
200 St. Paul Place
Suite 2700
Baltimore, Maryland 21202
Via email: kathryn.callahan1@maryland.gov.

RE: Draft Bulletin: Clarification of Requirements for Insurers' Use of Telematics Programs

Dear Ms. Callahan,

APCIA appreciates the work of the Maryland Insurance Administration (MIA) in drafting a proposed Bulletin to clarify certain requirements for insurers utilizing telematic programs. The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 67.4% of the private passenger auto insurance market in Maryland. APCIA welcomes the opportunity to comment on the Maryland Insurance Administrations (MIA) draft bulletin.

Telematics based auto insurance programs have been growing significantly in recent years, driven by changes in commuting patterns and inflation driven by auto insurance cost increases. In addition to the opportunity to obtain discounts for participating, policyholders get real time feedback on their driving, enabling them to make changes in how they drive. By changing driving behaviors, policyholders can obtain additional savings, but most importantly, be safer drivers. While we understand the MIA's desire to provide clarity for policyholders that participate in telematics programs, it is important that regulatory requirements not inadvertently discourage companies from offering such programs. In that spirit, we raise the following concerns identified by APCIA members that need clarification.

Consumer Program Discount

If an insured chooses to withdraw from a telematics program, it often means losing an enrollment discount. This could occur any time during the policy period, or at renewal. COMAR 31.08.03.06 states that the regulation does not apply to "(j) Any request by an insured that results in a change in coverage, decrease in deductible, or other change to a policy;". We request that the MIA provide confirmation that in a situation where an insured decides to terminate their participation in a telematics program that any resulting loss of discount and/or premium increase is not subject to the NOPI requirement consistent with COMAR 31.08.03.06.

Similarly, companies offer discounts as participation incentives that are intended to expire after the first term. Should the increase attributable to telematics be calculated to include premium adjustments from expired enrollment discounts that were offered as participation incentives, or only include increases directly resulting from telematics-measured driving behaviors and performance data?"

Mileage

The draft bulletin is expanding the requirements for the required notice of premium increase (NOPI) to include the treatment of mileage measurements. APCIA members are asking for clarity as to how this works on a month to month basis as it would be impossible to meet the 45 day notice window on a monthly basis. In that regard, the original version of Bulletin 24-26 had a specific footnote that addressed this concern:

“The premium due under a “pay-per-mile policy” is calculated by multiplying the number of miles driven by a per mile rate (and perhaps adding a daily base rate charge). **An increase in premium due for a “pay-per-mile” policy from one month to the next that is solely due to an increase in the number of miles driven (and not an increase in the per-mile rate or base rate) is not subject to the notice requirements under § 27-614.**” (emphasis added)

Will this carve out still apply under the expanded guidelines? Additionally, the exclusion language in the current proposal is confusing:

“ If a motor vehicle insurer bases rates on mileage, but this mileage factor is a stand-alone factor, is not part of a telematics program, and the insurer does not measure other operational factors at all (including, without limitation, speed, braking, acceleration, time of day driven), then “mileage” is not part of a “program that measures the operation of an insured vehicle”, and no NOPI is required.”

Our members ask for clarification as to how MIA is defining “part of a telematics program”. A company might use their telematics mechanism (such as a smart phone app) to gather mileage data but not include mileage as one of the “operational factors” of the telematics program. The MIA’s intent seems to be that if mileage is considered separately as a “stand alone factor” then increases due to a change in mileage would not require a NOPI.

Calculation and Display of Premium Increase Percentages

Bulletin 24-26 leaves some ambiguity regarding how insurers should calculate and display premium increase percentages when telematics surcharges are involved. Specifically:

1. How should premium increase subject to notice be displayed?
 - a. As a percentage increase over **current term premium**; or
 - b. As a percentage increase over **renewal premium without the increase subject to notice**
2. How should telematics-related increases be displayed when combined with other factors?
 - a. As a **percentage increase** over premium base; or
 - b. As a **percentage** of total premium increase subject to notice

Illustrative Scenarios

Below are four potential calculation approaches with the following input:

- Current term premium: \$900
- Renewal term premium without the increase subject to notice: \$925
- Telematics change: \$100
- Other changes: \$75
- Total increase subject to notice: \$175
- Total renewal term premium: \$1100

Which scenario best meets the Administration’s intent and provides the most customer clarity?

Scenario	Base for Overall Premium Increase	Telematics Percentage Definition	Calculation
1	Current premium	Percentage increase over premium base	Increase subject to notice: \$175, or 19.4% (175 ÷ 900) Amount due to telematics: \$100, or 11.1% (100 ÷ 900)
2	Current premium	Telematics increase as a percentage of total increase	Increase subject to notice: \$175, or 19.4% (175 ÷ 900) Amount due to telematics: \$100, or 57.1% (100 ÷ 175)

Scenario	Base for Overall Premium Increase	Telematics Percentage Definition	Calculation
3	Renewal premium w/o surcharges	Percentage increase over premium base	Increase subject to notice: \$175, or 18.9% ($175 \div 925$) Amount due to telematics: \$100, or 10.8% ($100 \div 925$)
4	Renewal premium w/o surcharges	Telematics increase as a percentage of total increase	Increase subject to notice: \$175, or 18.9% ($175 \div 925$) Amount due to telematics: \$100, or 57.1% ($100 \div 175$)

Thank you for the opportunity to share our concerns with the draft bulletin Clarification of Requirements for Insurers' Use of Telematics Programs. Please do not hesitate to contact us if you have questions, need additional information, or would like to meet to discuss further.

Sincerely,



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