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Allstate Response to Proposed Bulletin for Private Passenger Motor Vehicle Liability Insurance Carriers Offering Clarification of Requirements for Insurers' Use of Telematics Programs

1 message

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To: "kathryn.callahan1@maryland.gov" <kathryn.callahan1@maryland.gov>

Tue, Nov 25, 2025 at 11:01 AM

Via email to:

Kathryn Callahan, Director of Regulatory Policy, at kathryn.callahan1@maryland.gov

Maryland Insurance Administration

[200 St. Paul Place, Suite 2700](#)

[Baltimore, Maryland 21202](#)

Re: Proposed Bulletin for Private Passenger Motor Vehicle Liability Insurance Carriers Offering Clarification of Requirements for Insurers' Use of Telematics Programs

Dear Ms. Callahan:

Allstate is pleased to offer the following feedback concerning the Maryland Insurance Administration's (MIA) [proposed bulletin on private passenger auto \(PPA\) liability coverage](#) regarding carriers' use of telematics programs.

First, the proposed bulletin says carriers basing PPA rates on mileage as a stand-alone factor (i.e., not as part of a telematics program), and not measuring other operational factors (like speed, braking, acceleration, and time of day driven) **at all** for the purpose of using mileage as part of a "program that measures the operation of an insured vehicle," are not required to provide a Notice of Premium Increase (NOPI). Without more specific parameters, the words "at all" here could be misleading. For clarity, we ask that the MIA state explicitly that this:

... and the insurer does not measure other operational factors at all (including, without limitation, speed, braking, acceleration, time of day driven) ...

has the same meaning as the following:

... and the insurer does not measure other operational factors in rating that policy (including, without limitation, speed, braking, acceleration, or time of day driven)

Our recommendation, to strike "at all" and replace it with "in rating that policy," is reflected above. Another option would be for the MIA to strike the entire section between those two commas—"and the insurer does not measure other operational factors at all (including, without limitation, speed, braking, acceleration, time of day driven)." This deletion would also be a reasonable alternative; it is shown below with minor grammatical adjustments:

If a motor vehicle insurer bases rates on mileage, but this mileage factor is a stand-alone factor, and is not part of a telematics program, then "mileage" is not part of a "program that measures the operation of an insured vehicle", and no NOPI is required.

The proposed bulletin refers carriers back to [Bulletin 24-26](#) for the specific information that must be included in a NOPI. However, it also requires that a NOPI for a telematics-based increase "include the percentage of the increase that is due to the telematics program (including any removal of a discount)" and states that, if the entire "premium increase is due to the telematics measurements, and there is no other reason for the premium increase, then the percentage of the increase

due to telematics is 100 percent.” This description of the way a NOPI for a telematics-based increase should be provided to consumers may confuse carriers. We therefore ask that the MIA provide examples of the different types of NOPIs that would meet the MIA’s expectations and would serve as a compliance template for licensees.

We appreciate the opportunity to partner with the MIA on this important issue and welcome any questions you may have.

Sincerely,

Lauren G. Pachman
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