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BULLETIN 25-XX

DATE: [INSERT DATE]

TO: Private Passenger Motor Vehicle Liability Insurance Carriers

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

The Maryland Insurance Administration will consider comments concerning this draft bulletin that are submitted to Kathryn Callahan (Director of Regulatory Policy), at kathryn.callahan1@maryland.gov, on or before November 24, 2025.

The Maryland Insurance Administration ("the Administration") is issuing this bulletin to clarify existing legal requirements for motor vehicle insurers that utilize programs that measure the operation of an insured vehicle remotely and electronically. Such programs are permitted in Maryland, and their use is governed by various provisions within the Insurance Article. These programs that measure the operation of the vehicle and use the measured data to track driving behaviors are typically referred to as "telematics" programs, and are often given additional branded or trademarked names by motor vehicle insurers. Regardless of the name that is used, any program under which an insurer measures the operation of a vehicle remotely (including an insurer that contracts with a third party to gather or analyze such measurements) is subject to these requirements. This bulletin is intended to address several questions that have arisen during complaint investigations relating to requirements for telematics programs.

The Administration previously issued Bulletin 24-26[1] on December 23, 2024 to provide clarifying guidance for insurers using such telematics programs. Bulletin 24-26 clarified that a premium increase based on a telematics program was required to be accompanied by a Notice of Premium Increase ("NOPI") as specified by § 27-614 of the Insurance Article and related regulations promulgated by the Administration.

[1] MIA Bulletin 24-26 can be accessed at: https://insurance.maryland.gov/Insurer/Documents/bulletins/24-26-Notice-Requirements-for-Premium-Increases-Based-on-Factors-Measured-through-a-Telematics-Program.pdf.

Requirement to Issue a Notice of Premium Increase

Section 27-614(c)(5)(iii)(4) of the Maryland Insurance Article provides that a private passenger motor vehicle insurance policyholder must be given a NOPI any time a premium is increased based on a telematics program. This NOPI must comply with § 27-614 of the Insurance Article, and the policyholder will be given the right to protest this NOPI in accordance with § 27-614(d) through (g) of the Insurance Article and the Code of Maryland Regulations ("COMAR") Title 31, Subtitle 08, Chapter 03. Premium increases that result from the removal of a telematics-based discount, including an introductory period discount having expired, are included within the requirement to provide a NOPI.

This requirement to issue a NOPI applies even if the telematics program is directly operated by a third-party partner or vendor. Motor vehicle insurers that use telematics programs to set and increase premiums, and that are not presently issuing compliant NOPIs to their policyholders, can expect to be the subject of market conduct actions by the Administration.

Treatment of Mileage Measurements

A premium increase based on the measurement of an insured driver's or insured vehicle's mileage requires a NOPI. If the number of miles driven is included as one of multiple factors measured by a telematics program, this measurement is part of a "program that measures the operation of an insured vehicle" for purposes of § 27-614(c)(5)(iii)(4). An increase based upon such a program requires a NOPI, whether or not the number of miles driven was a specific reason for the increase in the driving period in question.

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.

The Administration will take action in the future to amend COMAR 31, Subtitle 08, Chapter 03 to clarify that such increases are not subject to the NOPI requirement.

Information Listed on the NOPI

Insurers are reminded to refer to Bulletin 24-26 for precise requirements as to the information to be included in the NOPI for a telematics-based increase. Such a NOPI must include the premium for the current period and the premium for the renewal period (i.e., the upcoming premium, as modified by the increase that the insurer intends to implement), delineated in dollars and cents. The premium for the current period must be the amount actually paid by the policyholder.

A NOPI for a telematics-based increase must also include the percentage of the increase that is due to the telematics program (including any removal of a discount). If the entire amount of the 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. The Administration has found, however, that many premium increases involve portions of the increase arising from telematics-related factors, and other portions arising from separate factors (often general state-wide increases that would not require a NOPI by themselves). In such cases, the NOPI must state the total new premium, as the insurer intends to charge for the upcoming policy period, and the percentage of the increase that is due to the telematics program.

Questions about this Bulletin may be directed to Joy Hatchette, Deputy Commissioner at joy.hatchette@maryland.gov.

Marie Grant
Insurance Commissioner

By: ______________________
Joy Hatchette
Deputy Commissioner