
SENATE COMMITTEE ON INSURANCE

Senator Stephen Padilla, Chair

2025 - 2026 Regular

Bill No: AB 311 **Hearing Date:** June 24, 2026
Author: McKinnor
Version: June 10, 2026 Amended
Urgency: No **Fiscal:** Yes
Consultant: Brandon Seto

SUBJECT: Consumer Driving Data Protection Act of 2026

DIGEST: This bill authorizes private passenger automobile insurance consumers to allow the use of telematics to establish their driving record, as an amendment to the Insurance Rate Reduction and Reform Act of 1988. Creates standards, practices, and requirements related to the collection, retention, use, and application of such telematics data for the purposes of insurance and oversight by the California Department of Insurance (CDI).

ANALYSIS:

Existing law:

- 1) Provides under the Insurance Rate Reduction and Reform Act of 1988, also known as Proposition 103, approved by the voters, rules for how auto insurance rates are calculated as well as a system of prior approval of rates, to be administered by an elected Insurance Commissioner (Commissioner). Regarding rate-setting, Proposition 103 provides that automobile insurance rates are to be determined by application of the following three Mandatory Factors in decreasing order of importance:
 - a) Driver safety record
 - b) Miles driven annually
 - c) Years of driving experience
- 2) Further states under Proposition 103 that the Insurance Commissioner may adopt other Optional Factors in setting rates and premiums for automobile insurance.
- 3) Stipulates that the provisions of Proposition 103 may only be amended by a statute that furthers the purposes of the act and is enacted by the Legislature with a two-thirds vote.

This bill:

- 1) Creates the following definitions:
 - a) “Consent” means a freely given, specific, informed, and unambiguous indication of the consumer’s wishes by which the consumer, or the consumer’s legal guardian, a person who has power of attorney, or a person acting as a conservator for the consumer, including by a statement or by a clear affirmative action, signifies agreement to the processing of telematics data relating to the consumer for a narrowly defined particular

purpose. Consent shall be voluntary, informed, affirmative, stand-alone consent provided by the subject consumer before the collection or use of telematics data.

- b) “Consumer authorization” means the manner in which consumer consent is obtained and documented.
 - c) “Scoring model” means a computational, statistical, actuarial, or algorithmic methodology capable of evaluating telematics data, or the inferences derived from those methodologies, to generate a numerical score or predictive assessment used directly or indirectly in rating automobile insurance.
 - d) “Telematics” means technology that uses vehicle devices, connected devices, mobile applications, embedded systems, or other technological means to collect, transmit, and analyze objectively measurable data for private passenger automobile insurance rating. Telematics shall not include the collection of nondriving-related personal information, such as biometric or biometric-adjacent information, audio or visual recordings of vehicle occupants, precise geolocation data outside of a rated trip, and any data unrelated to the operation of a motor vehicle.
 - e) “Telematics data” means information electronically collected, transmitted, or derived that reflects the operation, mileage, or use of a motor vehicle, including speed, acceleration, and braking.
 - f) “Telematics program” means a program operated by an insurer or third-party telematics provider that collects, receives, analyzes, or uses telematics data for rating.
 - g) “Third-party telematics provider” means an entity, including an affiliate of an insurer, that collects, stores, discloses, processes, or analyzes telematics data used in the business of insurance.
- 2) States that a consumer may opt to use telematics to establish their driving record as a factor in determining rates and premiums for automobile insurance under Proposition 103. Such consent can be revoked at any time by the consumer, but it will take effect at the beginning of the following policy term. In the intervening time, the insurer can continue to utilize the consumer’s telematics data.
 - 3) Specifies that an insurer cannot require participation in a telematics program, penalize a consumer for non-participation in such a program, condition eligibility for a discount upon participation in a telematics program, unless the discount is approved by the Commissioner, or increase premiums in less than six-month increments, unless adjustments are approved by the Commissioner in a rate filing for a telematics program.
 - 4) Creates an appeal process for consumers to contest data collected under the telematics program and applied as a rating factor.
 - 5) Allows a telematics program to consider a driver’s Department of Motor Vehicles Motor Vehicle Record, including for the purposes of determining eligibility for a Good Driver Discount.

- 6) Prohibits an insurer or third-party telematics provider from collecting or using telematics data without prior consumer consent, as specified, or from using it for underwriting or claims handling with certain exceptions.
- 7) Prohibits telematics data from being shared or disclosed to a person, or sold for valuable consideration, except to a third-party telematics provider under contract solely for the purpose of performing telematics-related insurance services, and only to the extent strictly necessary to perform those services.
- 8) Defines requirements for obtaining consumer authorization, including clarity, disclosure of how the data will be collected, stored, used, and applied to the consumer's policy. This includes the consumer's right to access their telematics data, appeal its use, or revoke authorization for such participation. Insurers may disclose telematics data that identifies a consumer, pursuant to subpoena or other legally enforceable process after notice to the consumer.
- 9) Requires insurers to provide a requesting consumer with access to the consumer's telematics data and a clear explanation of how the data contributed to a rating determination or any other insurer decision that impacted the consumer and that relied upon or was informed by telematics data.
- 10) States that advertising materials relating to the insurer's private passenger automobile insurance products clearly state that both telematics and traditional insurance products are available to the consumer, and include a comparison of rates between both programs.
- 11) Limits use of telematics data for rating private passenger automobile insurance, as specified.
- 12) Sets requirements for rate applications to the Commissioner for which telematics would be used including description of the program, its data elements, scoring models, including algorithms, variables, weighting factors, privacy and security protections, and third-party telematics providers. Classifies all such information submitted as proprietary or trade secrets, and thus confidential by law, privileged, and not subject to public disclosure.
- 13) Requires insurers regularly to conduct, document, and disclose upon request of CDI, validation studies and ongoing model governance of scoring models.
- 14) Allows the Commissioner to conduct audits, or prohibit or suspend an insurer's use of a telematics program that causes rates to be excessive, inadequate, or unfairly discriminatory. Insurers must maintain and provide such data to the Commissioner as specified to demonstrate compliance with the provisions of this bill.
- 15) States that insurers and third-party telematics providers shall implement administrative, technical, and physical safeguards to protect telematics data, and collect only data that is reasonably necessary to determine driving behavior and evaluate risk.
- 16) Prohibits collection of biometrics data, including facial recognition, fingerprint, retina scan, voice print, physiological monitoring data, or visual recordings of vehicle occupants.

- 17) Requires that telematics data be deleted upon revocation of consumer authorization, termination of participation, or consumer request. Sets additional limits on the sharing and use of telematics data.
- 18) States that a governmental entity cannot collect, receive, retain, access, use, disclose, or obtain telematics data, except for deidentified, aggregated telematics data, used only for roadway safety analysis, infrastructure planning, or crash prevention research as long as the data and derived outputs cannot reasonably identify an individual, vehicle, telematics device, or trip. A governmental entity shall not collect, receive, retain, access, use, disclose, or obtain identifiable trip-level telematics data, identifiable precise geolocation data, identifiable origin and destination data, or any other linked telematics data regulated pursuant to this bill. Deidentified, aggregated telematics data and aggregated inputs derived from that data are not considered personal information.
- 19) Stipulates that an insurer is fully responsible for the actions of a third-party telematics provider if the insurer knew that the third-party telematics provider was violating this bill's provisions and did not take steps to stop the violation.
- 20) Specifies that a contract entered into by an insurer or a third-party telematics provider under contract with an insurer for the function of collecting, storing, processing, or analyzing telematics data does not relieve the insurer of an obligation under this bill. Further specifies the responsibility of insurers for maintaining specified information on their third-party telematics providers, and ensuring compliance with the provisions of this bill.
- 21) Specifies certain factors for which an insurer cannot deny a consumer the ability to participate in the insurer's telematics program including the consumer's vehicle, possession of a mobile device or other applicable technology, except to the extent these factors are necessary to meet reasonable technology and compatibility requirements of the program.
- 22) States that a licensee or a third-party service provider cannot retaliate against a consumer because the consumer exercised or attempted to exercise the consumer's rights pursuant to this bill, including declining to participate in a telematics program. Defines the circumstances considered retaliation against a consumer by the licensee or third-party service provider including the imposition of unrelated fees, coercion for the illicit use of consumer information, and infringement of the rights specified in this bill.
- 23) Prohibits an insurer from conditioning participation in a telematics program upon waiver of the rights held by a consumer or requiring a consumer to submit to binding arbitration with respect to any matters arising from the insurer's telematics program.
- 24) Creates various requirements and prohibitions for insurance providers or third-party vendors related to privacy under telematics programs.
- 25) Specifies corrections, penalties, and other punitive actions for violations of the bill's provisions.
- 26) Allows the Commissioner to promulgate regulations pursuant to administering the provisions of this bill.

27) Makes related findings and declarations asserting that the bill furthers the purpose of Proposition 103, and stating the necessity of confidentiality for documents, materials, and other information submitted to comply with the bill's provisions.

Background

According to the author:

“AB 311, The Consumer Data Protection Act of 2026 will modernize California’s insurance regulatory system by allowing consumers to opt-in, and just as easily opt-out, of a telematics-based option, giving consumers a choice, while maintaining the strong consumer protection of Proposition 103. California motorists deserve modern options to keep their families safe behind the wheel, protect their privacy and have their insurance rates based on their actual driving habits.”

Related/Prior Legislation

AB 1833 (McKinnor, 2026). Substantially similar to AB 311, this bill would amend Proposition 103 to authorize, as specified, a consumer to utilize telematics to establish their driving record as a mandatory rating factor for the purposes of determining rates and premiums for auto insurance. *Pulled from hearing by author in Assembly Privacy and Consumer Protection Committee.*

ARGUMENTS IN SUPPORT:

A coalition of road safety groups states:

“While telematics-based insurance programs are already widely available across the country – in 49 states – California has lagged behind due to limitations in existing law. As a result, drivers in the state have been unable to access programs that can better reflect real-world driving behavior and offer potential cost savings for safer driving. At the same time, advances in vehicle and mobile technology have made it easier than ever to measure driving patterns in a way that is accurate and useful for insurance purposes.

AB 311 would allow drivers to voluntarily participate in usage-based insurance programs that use telematics to measure driving behavior. These programs can support safe-driving discounts, improve rate accuracy, and encourage safer habits such as less speeding, less handheld phone use, and less aggressive driving. Similar opt-in programs are already allowed in 49 other states. Research shows that telematics-based feedback can directly reduce risky driving behaviors that increase crash risk. Studies have found reductions in handheld phone use, speeding, hard braking, and rapid acceleration among participating drivers. This same research has also found that these safety improvements occurred by similar amounts regardless of age, sex, and race or ethnicity.

AB 311 has also been designed with privacy and consumer protection safeguards in mind by prohibiting the use of telematics data for any purpose other than rating private passenger automobile insurance. The bill would also require telematics data to be deleted once a rating has been assigned and prohibit insurers or third-party vendors from keeping data longer than six months. It would also prohibit the collection of audio or visual recordings of vehicle occupants, with the bill also establishing consent and privacy requirements for the collection and use of telematics data.

These provisions would strictly limit the use of telematics data to automobile insurance rating purposes, establish limits on data retention, and provide consumers with greater transparency and control over their driving information. AB 311 offers a voluntary way to encourage safer driving, reward responsible behavior, and support a more accurate and fairer system while protecting consumer privacy.”

ARGUMENTS IN OPPOSITION:

The California Department of Insurance states:

“The Department is “OPPOSE UNLESS AMENDED” to AB 311, as the bill in its newly amended form would significantly weaken the long-standing consumer-protection and insurer-accountability framework established by Proposition 103. Rather than strengthening safeguards around emerging telematics and data-driven rating practices, the bill creates broad liability loopholes, dilutes regulator oversight, and allows insurance companies to shift core regulatory responsibilities to unregulated third-party telematics vendors, among other concerns. These structural deficiencies in the bill would expose consumers to unlawful rating practices, undermine transparency, and erode the Insurance Commissioner’s ability to enforce the law. Without substantial amendments, AB 311 would move California backward on fundamental protections that voters mandated under Prop. 103.

The framework proposed in AB 311 incentivizes insurers to outsource rating activities, privacy violations, and unlawful practices to out-of-state or foreign third-party service vendors who fall entirely outside Prop. 103’s regulatory structure and the regulatory oversight of the Department. AB 311 repeatedly fails to provide the Insurance Commissioner with direct enforcement authority over vendors, while simultaneously insulating those vendors from meaningful accountability. AB 311’s proposed “due diligence” requirement is vague, lacks standards, and includes no meaningful reporting, audit, or verification mechanisms.

AB 311 authorizes the collection and use of variables unrelated to a driver’s safety record, violating Prop. 103’s rating-factor requirements, which limit permissible factors to those directly tied to driving safety. The bill also lacks key protections against the use of telematics data as a proxy for protected classes or prohibited rating factors. AB 311 substantially weakens the transparency and public-disclosure framework mandated by Prop. 103 by overriding long-standing requirements that ensure regulatory accountability and public access to insurer rating information. AB 311 introduces significant administrative and operational burdens on the Department. It will increase rate-filing volume and complexity, require more frequent and technically complex filings, and likely increase intervenor activity in response to reduced consumer protections.

For the reasons stated above, among others, the California Department of Insurance is OPPOSED UNLESS AMENDED to AB 311 to ensure fuller insurer accountability, meaningful regulatory oversight, and compliance with Prop. 103’s consumer protection mandates.”

SUPPORT:

Streets are for Everyone (Co-Sponsor)
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Active San Gabriel Valley
Agero, INC.

AIDS Healthcare Foundation
American Property Casualty Insurance Association
Association of Transportation Safety Information Professionals
Bike East Bay
Biking in LA
California Apartment Association
Community Build, INC.
Conor Lynch Foundation
County of Los Angeles Board of Supervisors
Courage California
Cross Country Motor Club
Families for Safe Streets San Diego
Livable Communities Initiative
Los Angeles Neighborhood Initiative
Los Angeles Walks
Marin County Bicycle Coalition
Move LA
Move Santa Barbara County
Napa County Bicycle Coalition (napa Bike)
National Association of Mutual Insurance Companies
National Coalition for Safer Roads
National Road Safety Foundation
National Safety Council
Pacific Association of Domestic Insurance Companies
Personal Insurance Federation of California
Safe Routes Partnership
San Diego County Bicycle Coalition
San Diego Humane Society and SPCA
San Francisco Bay Area Families for Safe Streets
San Francisco Bicycle Coalition
Santa Monica Families for Safe Streets
Santa Monica Safe Streets Alliance
Santa Monica Spoke
SoCal Cycling
Stopdistractions.org
Street Racing Kills
Sunnyvale Safe Streets
The Emily Shane Foundation
The Honorable Ricardo Martinez, MD, FACEP
The Kiefer Foundation
Walk San Francisco
West Hollywood Bicycle Coalition

OPPOSITION:

ACLU California Action
California Department of Insurance
Consumer Federation of California
Consumer Watchdog
Privacy Defense Alliance

Privacy Rights Clearinghouse
Techequity Action

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