

SENATE PRIVACY, DIGITAL TECHNOLOGIES, AND CONSUMER PROTECTION COMMITTEE  
Senator Christopher Cabaldon, Chair  
2025-2026 Regular Session

AB 311 (McKinnor)  
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Fiscal: Yes  
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BD

**SUBJECT**

Consumer Driving Data Protection Act of 2026

**DIGEST**

This bill creates a framework that authorizes a consumer to opt to use telematics data to establish their driving record.

**EXECUTIVE SUMMARY**

Since the passage of Proposition 103, Californians' driving records have been largely based on three factors: driving record, annual mileage, and years of driving experience. While the Insurance Commissioner can adopt Optional Rating Factors, none can be weighed more than the three factors established by the proposition. Consequently, Californians have been unable to use certain advanced technologies to establish their driving records. One such technology is telematics. Telematics is the use of various technologies to track driving behavior. Telematics promises reduced auto insurance premiums and encourages safer driving; however, the practice is not without serious privacy, equity, and effectiveness concerns.

This bill authorizes a consumer to use telematics data to establish their driving record. The bill sets forth a series of standards, practices, and requirements for the collection, retention, use, and application of telematics data. Lastly, the bill provides certain oversight authority to the California Department of Insurance (CDI).

This bill is co-sponsored by Streets for All and Streets are for Everyone, and is supported by a wide array of insurance organizations and street safety groups, including the American Property Casualty Insurance Association and the National Safety Council. It is opposed by various consumer groups, privacy advocates, and the California Department of Insurance. The bill passed out of the Senate Insurance Committee with a vote of 5 to 0.

## PROPOSED CHANGES TO THE LAW

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). (Ins. Code § 1861.01 et seq.; Proposition 103 (1988).)
- 2) Requires 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. (Ins. Code § 1861.02.)
- 3) Provides that the Insurance Commissioner may adopt other Optional Factors in setting rates and premiums for automobile insurance. (Ins. Code § 1861.02.)
- 4) Requires insurers to offer and sell a Good Driver Discount policy to any person who meets the following criteria:
  - a) They have been licensed to drive for the previous three years.
  - b) During the previous three years, they have not had more than one point violation count, as specified.
  - c) The date 10 years prior to an application or renewal, the person had not been convicted of specified crimes.
  - d) They have met the criteria of a), b), and c) based entirely or partially on a driver's license or experience acquired anywhere other than the United States or Canada (Ins. Code § 1861.025.)
- 5) 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 (Proposition 103 § 8 (1988).)
- 6) Establishes the CCPA, which grants consumers certain rights with regard to their personal information, including enhanced notice, access, and disclosure; the right to deletion; the right to restrict the sale of information; and protection from discrimination for exercising these rights. It places attendant obligations on businesses to respect those rights. (Civ. Code § 1798.100 et seq.)
- 7) Establishes the CPRA, which amends the CCPA. (Civ. Code § 798.100 et seq.; Proposition 24 (2020).)

- 8) Provides consumers the right to request that a business delete any personal information about the consumer which the business has collected from the consumer. (Civ. Code § 1798.105(a).)
- 9) Requires a business that collects a consumer's personal information to, at or before the point of collection, inform consumers of the following:
  - a) The categories of personal information to be collected and the purposes for which the categories of personal information are collected or used and whether that information is sold or shared. A business shall not collect additional categories of personal information or use personal information collected for additional purposes that are incompatible with the disclosed purpose for which the personal information was collected without providing the consumer with notice consistent with this section;
  - b) If the business collects sensitive personal information, the categories of sensitive personal information to be collected and the purposes for which the categories of sensitive personal information are collected or used, and whether that information is sold or shared. A business shall not collect additional categories of sensitive personal information or use sensitive personal information collected for additional purposes that are incompatible with the disclosed purpose for which the sensitive personal information was collected without providing the consumer with notice consistent with this section; and
  - c) The length of time the business intends to retain each category of personal information, including sensitive personal information, or if that is not possible, the criteria used to determine that period, provided that a business shall not retain a consumer's personal information or sensitive personal information for each disclosed purpose for which the personal information was collected for longer than is reasonably necessary for that disclosed purpose. (Civ. Code § 1798.100(a).)
- 10) Grants a consumer the right to request that a business that collects personal information about the consumer disclose to the consumer the following:
  - a) The categories of personal information it has collected about that consumer;
  - b) The categories of sources from which the personal information is collected;
  - c) The business or commercial purpose for collecting, selling, or sharing personal information;
  - d) The categories of third parties with whom the business shares personal information; and
  - e) The specific pieces of personal information it has collected about that consumer. (Civ. Code § 1798.110.)
- 11) Provides consumers the right to request that a business that sells or shares the consumer's personal information, or that discloses it for a business purpose, disclose to the consumer specified information, including the categories of personal

information collected, shared, sold, and disclosed and the categories of third parties receiving the information. (Civ. Code § 1798.115.)

- 12) Provides a consumer the right, at any time, to direct a business that sells or shares personal information about the consumer to third parties not to sell or share the consumer's personal information. It requires such a business to provide notice to consumers, as specified, that this information may be sold or shared and that consumers have the right to opt out of the sale or sharing of their personal information. (Civ. Code § 1798.120.)
- 13) Defines "personal information" as information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. The CCPA provides a nonexclusive series of categories of information deemed to be personal information, including biometric information, geolocation data, and "sensitive personal information." It does not include publicly available information or lawfully obtained, truthful information that is a matter of public concern. (Civ. Code § 1798.140(v).)
- 14) Extends additional protections to "sensitive personal information," which is defined as personal information that reveals particularly sensitive information such as "neural data," which means information that is generated by measuring the activity of a consumer's central or peripheral nervous system, and that is not inferred from nonneural information. (Civ. Code § 1798.140(ae).)
- 15) Provides various exemptions from the obligations imposed by the CCPA, including where they would restrict a business' ability to comply with federal, state, or local laws. (Civ. Code § 1798.145.)
- 16) Directs CalPrivacy to review existing Insurance Code provisions and regulations relating to consumer privacy, except those relating to insurance rates or pricing, to determine whether any provisions of the Insurance Code provide greater protection to consumers than the provisions of this title. Upon completing its review, the agency shall adopt a regulation that applies only the more protective provisions of this title to insurance companies. For the purpose of clarity, the Insurance Commissioner shall have jurisdiction over insurance rates and pricing. (Civ. Code § 1798.185(a)(20).)
- 17) Permits amendment of the CPRA by a majority vote of each house of the Legislature and the signature of the Governor, provided such amendments are consistent with and further the purpose and intent of this act as set forth therein. (Proposition 24 § 25 (2020).)

- 18) Establishes the Insurance Information and Privacy Protection Act (IIPPA), to establish standards for the collection, use, and disclosure of information gathered in connection with insurance transactions and to maintain a balance between the need for information by those conducting the business of insurance and the public's need for fairness in insurance information practices. (Ins. Code § 791.)
- 19) Requires an insurance institution or agent to provide a notice of information practices to all applicants or policyholders in connection with insurance transactions at the time of delivery or initial data collection and at the point of renewal, reinstatement, and change in benefits, as provided. (Ins. Code § 791.04.)
- 20) Authorizes an insurer to disclose personal or privileged information about an individual, which is collected or received in connection with an insurance transaction, as provided. This includes the authority to share personal or privileged information about an individual with an unaffiliated third party whose only use of the information will be in connection with the marketing of a product or service, as long as the individual is given an opportunity to opt out of this information-sharing. (Ins. Code § 791.13.)

This bill:

- 1) Defines the following terms:
  - a) "Consent" means 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. Requires consent to 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 inferences derived from those methodologies, to generate a numerical score or predictive assessment used directly or indirectly in rating automobile insurance.
  - d) "Telematics" means a 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.
  - 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) Provides that a consumer may opt to use telematics to establish their driving record. Requires that participation in a telematics program be strictly voluntary.
  - 3) Prohibits an insurer that uses telematics from doing any of the following:
    - a) Requiring participation in a telematics program as a condition of obtaining or renewing coverage.
    - b) Penalizing, surcharging, or adversely underwriting a consumer who declines to participate in a telematics program.
    - c) Conditioning eligibility for a discount upon participation in a telematics program, unless the discount is approved by the Insurance Commissioner (commissioner).
    - d) Increasing the premium in increments of less than six months from the date the policy goes into effect. Provides that this does not affect the ability of an insurer to make adjustments throughout the policy term, provided the flexibility is approved by the commissioner in a rate filing.
  - 4) Provides that a consumer may revoke consent for participation in a telematics program at any time and requires the revocation to become effective at the beginning of the following policy term.
  - 5) Requires a request to correct trip data relating to telematics collected via a mobile device to be resolved in favor of the consumer. Provides that if a company determines, after investigation, that a consumer has repeatedly and fraudulently requested changes to their driving history under a telematics program, the insurer may return the driver to traditional rating factors.
  - 6) Provides that a telematics program may consider a driver's motor vehicle record information from the Department of Motor Vehicles that pertains to high-risk behavior resulting from a two- or three-point violation.
  - 7) Requires a telematics program to access a driver's Motor Vehicle Record information from the Department of Motor Vehicles to determine if the driver is entitled to a Good Driver Discount. Provides that if a driver is entitled to a Good Driver Discount, it shall be applied for the initial policy term using telematics, with continuation of the discount determined on telematics data.

- 8) Prohibits an insurer or third-party telematics provider from doing any of the following:
  - a) Collecting or using telematics data without obtaining and documenting prior consumer consent in writing or through electronic means.
  - b) Collecting or using telematics data that predates consumer authorization.
  - c) Collecting or using telematics data for marketing or any other purpose than the rating of private passenger automobile insurance policies.
  - d) Underwriting, except as conforms with permitted underwriting application under existing rating factors.
  - e) Claims handling, except when expressly permitted or provided by the driver.
  - f) Sharing or disclosing telematics data to a person, except to a third-party telematics provider under contract solely for the purposes of performing telematics-related insurance services, and only to the extent strictly necessary to perform those services.
  - g) Selling or obtaining valuable consideration in connection with the disclosure of telematics data.
  - h) Undertaking any other prohibited acts specified by the commissioner in the regulation.
  
- 9) Requires consumer authorization to be all of the following:
  - a) Written in clear, plain language easily understood by the consumer.
  - b) Free from any feature or characteristic that may confuse a consumer or impair the consumer's ability to freely express the consumer's preference.
  - c) Provided to the department with the rate application seeking to apply telematics to establish an insured's driving record.
  
- 10) Prohibits an insurer from disclosing telematics data to a third party other than is necessary to provide the service.
  
- 11) Provides that an insurer may disclose telematics data that identifies a consumer, pursuant to a subpoena or other legally enforceable process, and requires an insurer to provide notice before disclosing personally identifiable information if it is pursuant to a subpoena or other legally enforceable process.
  
- 12) Requires the consumer authorization document to disclose all of the following:
  - a) All categories of telematics data to be collected from the consumer.
  - b) The specific devices, methods, and sources that shall be used to collect telematics data from the consumer.
  - c) The specific purpose for which the telematics data will be used.
  - d) If and how the telematics data will affect premiums.
  - e) The identity of a third-party telematics provider that may access the consumer's telematics data.
  - f) The duration of telematics data retention.

- g) The consumer's right to access the consumer's telematics data, the process to access such data, and the process to request correction of incorrect telematics data.
  - h) The consumer's right to revoke authorization at any time.
  - i) The consumer's right to appeal the application of rates developed using telematics data or the accuracy of underlying telematics data.
  - j) Additional disclosures specified by the commissioner in regulation.
- 13) Requires an insurer to provide a consumer with access to the consumer's telematics data, upon request, and a clear explanation of how the data contributed to a rating determination or any other insurer decision that impacted the consumer that was made using telematics data.
- 14) Requires telematics data be used only for rating of private passenger automobile insurance.
- 15) Requires an insurer to obtain prior consumer authorization before the collection or use of telematics data.
- 16) Requires telematics data to qualify only as a "driving safety record" and prohibits the use of telematics data as a proxy for anything else.
- 17) Prohibits data collected pursuant to telematics from being used for immigration enforcement purposes.
- 18) Requires a rate application where telematics is used to establish an insured's driving record to be deemed complete only if the insurer submits the following:
- a) A complete description of the telematics program.
  - b) All telematics data elements collected.
  - c) All scoring models, including algorithms, variables, and weighting factors.
  - d) All validation studies and actuarial support.
  - e) All consumer disclosures and authorization forms.
  - f) A list of third-party telematics providers with which the insurer is contracted.
  - g) All documentation related to privacy and data security protections related to telematics data.
  - h) A complete class plan application.
  - i) Any other information required by the commissioner.
- 19) Requires any documents, materials, and other information submitted in the above provision that are proprietary or constitute trade secrets and not be subject to public disclosure, subpoena, discovery, or admissible in a private civil action.
- 20) Requires insurers to regularly conduct, document, and disclose, upon request to the department, validation studies and ongoing model governance of scoring models.

Provides that the commissioner may require audits or suspend or terminate a telematics program that causes rates to be excessive, inadequate, or unfairly discriminatory.

- 21) Requires insurers and third-party telematics providers to collect only data that is reasonably necessary to determine driving behavior and evaluate risk. Requires various safeguards to protect this data.
- 22) Requires telematics data to be retained only as long as necessary for purposes authorized by the consumer or required by law. Requires the deletion of personally identifiable telematics data.
- 23) Prohibits the collection of the following data:
  - a) Biometrics data.
  - b) Audio or visual records for vehicle occupants.
- 24) Provides that, unless retention is necessary for compliance, fraud investigation, or any other matter of law, telematics data shall be deleted upon the revocation of consumer authorization, termination of participation, or consumer request.
- 25) Prohibits telematics data from being any of the following:
  - a) Sold, shared, exchanged, or otherwise disclosed.
  - b) Licensed.
  - c) Shared or used for marketing.
  - d) Used for any purpose except as permitted by these provisions and only with explicit consumer authorization.
  - e) Transferred to an affiliate or service provider.
  - f) Combined with external data sets.
- 26) Prohibits a government entity from collecting, receiving, retaining, accessing, using, disclosing, or obtaining telematics data, except for deidentified, aggregated telematics data only for the purposes of roadway safety analysis, infrastructure planning, or crash prevention research, as long as the data and outputs cannot reasonably identify an individual, vehicle, or trip.
- 27) Prohibits a governmental entity from collecting, receiving, retaining, accessing, using, disclosing, or obtaining identifiable trip-level telematics data, identifiable precise geolocation data, or any other linked telematics data. Provides that deidentified, aggregated telematics data and aggregated inputs are not personal information.
- 28) Provides that an insurer is fully responsible for the actions of a third-party telematics provider if the insurer knew that the third-party provider was violating this article and did not take steps to stop the violation.

- 29) Provides that a contract for telematics data storage does not relieve the insurer of its obligations for various data protections.
- 30) Requires insurers to conduct due diligence on all third-party telematics providers, maintain and disclose to the department all written contracts with third-party telematics providers, and ensure, through a written contract, that a third-party telematics provider complies with the various standards, safeguards, and requirements of telematics data.
- 31) Prohibits an insurer from denying a consumer the ability to participate in a telematics program solely based on either a vehicle, the consumer's device, the consumer's lack of a mobile device, or any factor beyond the control of a consumer, excluding ordinary costs, such as a mobile device, and to the extent these factors are necessary to meet reasonable technology and compatibility requirements.
- 32) Prohibits retaliation against the consumer because the consumer exercised their rights, as specified.
- 33) Requires an insurance provider or third-party vendor to collect only data that is strictly necessary to do all of the following:
  - a) Driving the posted speed limit or at the speed of traffic.
  - b) Braking abruptly in a dangerous manner.
  - c) Coming to a complete stop at all stop signs and red lights.
  - d) Changing lanes frequently to determine if the car is weaving in and out of traffic unsafely.
- 34) Requires an insurance provider or third-party vendor to delete all data previously collected through a telematics program within 24 hours of receiving notice if a consumer elects to leave the program or changes providers.
- 35) Requires an insurance provider or third-party vendor to immediately delete the collected data once a rating has been assigned to the consumer and refrain from collecting additional data prior to the next renewal period.
- 36) Requires an insurance provider or third-party vendor to only use data while the car is being operated and, if using cameras facing outside of the car, render unidentifiable any videos or images of specified items.
- 37) Requires an insurance provider or third-party vendor to obtain express written or electronic consent on a notice containing specified logistical, privacy, and consumer rights information.

- 38) Prohibits, notwithstanding the above provisions, an insurance provider or third-party vendor from collecting audio or video inside the vehicle, using technology that captures biometric information, combining in-car data with other data, using telematics data for any purpose other than identifying if a driver is driving safely, purchasing or acquiring data from another source, or retaining telematic data for more than six months.
- 39) Specifies corrections, penalties, and other punitive actions for violations of the bill's provisions.
- 40) Provides that the Commissioner may promulgate regulations pursuant to administering the above provisions.
- 41) 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.

### COMMENTS

#### 1. Proposition 103, 101

For numerous reasons, California's insurance market is uniquely situated. This is largely due to the Insurance Rate Reduction and Reform Act of 1988, or Proposition 103. Written by the Foundation for Consumer and Taxpayer Rights (now known as Consumer Watchdog), the proposition sought to address rising insurance rates, with a particular focus on automobile insurance. In 1988, California voters passed the proposition, which, among other changes, required three factors when setting rates for automobile insurance: driving safety record, annual mileage, and years of driving experience.<sup>1</sup> These factors are in decreasing order of importance. The Insurance Commissioner has the authority to enact regulations that allow additional rating factors that have a substantial relationship to the risk of loss. These have led to Optional Rating Factors such as vehicle type and percentage use. However, these Optional Rating Factors cannot outweigh the primary three.

The first rating factor, driver safety record, by method of regulation, refers to the California Department of Motor Vehicles' (DMV) Motor Vehicle Report (MVR). The MVR is a public record of traffic violation convictions, based on the last 3 years at the time of renewal or whenever a new person is added.<sup>2</sup>

Importantly, Proposition 103 cannot be amended unless it receives a two-thirds vote and furthers the purpose of the proposition. The purpose is as follows:

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<sup>1</sup> Ins. Code § 1861.02.

<sup>2</sup> Cal. Code Regs. Tit. 10, § 2632.5.

The purpose of this chapter is to protect consumers from arbitrary insurance rates and practices, to encourage a competitive insurance marketplace, to provide for an accountable Insurance Commissioner, and to ensure that insurance is fair, available, and affordable for all Californians.<sup>3</sup>

## 2. Telematics

Telematics is a type of usage-based insurance (UBI) that uses various technologies to track driving behavior. This technology includes in-vehicle telecommunication devices. These devices may be included in the vehicle when it is sold or added later, often in the form of a plug-in mechanism. Telematics may also take the form of a mobile application, such as a smartphone app. This technology can track driving behaviors like braking, speeding, and turning, as well as mileage, time of day, location, weather, and road conditions, among others. As it pertains to insurance, these devices monitor driving behavior while a person operates their vehicle and generate information insurers can use to calculate a premium that reflects the driver's specific driving behavior.

Telematics can also provide drivers with data and feedback about their own driving behaviors with the goal of making them more aware of their less-than-ideal habits, like speeding, hard braking, or rapid acceleration, and subsequently encourage better habits. Typical telematics programs will track individual trips, mapping potential incidents that contribute to a lower score.<sup>4</sup> Additionally, the existence of these programs can draw attention to the link between driving behavior and the cost of insurance. Several states, like Missouri, Minnesota, and Ohio, have implemented telematics programs that discourage distracted driving by seeking to limit cell phone use among drivers. For example, this can be accomplished by targeting traffic safety resources in areas where cell phone use while driving has been shown to be higher.

Currently, telematics cannot be used in California to set automobile insurance rates. It has neither been adopted as an Optional Rating Factor by the Commissioner nor has it been amended into Proposition 103.

The promise of increased driver safety via telematics is one that resonates with many individuals. Supporters of this bill point to a Cambridge Telematics Study. The study, conducted by a telematics provider, Cambridge Telematics, showed that both low-

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<sup>3</sup> Proposition 103 § 8 (1988).

<sup>4</sup> Kara McGinley, *How Does Usage-Based Car Insurance Work?* (February 20, 2026) Wall Street Journal, <https://www.wsj.com/buyside/personal-finance/auto-insurance/usage-based-insurance?msocid=07f0c87217e16bc80b6adf3e16946a14>.

scoring drivers and mid-range drivers saw improvement in reduced distracted driving and hard braking, among other items.<sup>5</sup>

In addition to safety benefits, there exists potential for telematics to lower insurance costs. Broadly speaking, most insurers offer an initial sign-up discount upon enrolling in a telematics program.<sup>6</sup> While these vary in terms of how much of a discount is provided, they can provide consumers with initial price relief. Additionally, telematics is based on good driving behavior, so if an individual is a safe driver, they should naturally see a reduced rate.

There is evidence, however, to suggest that this lofty goal may not be fully realized. In 2025, the Maryland Insurance Administration released a survey on telematics. The respondents consisted of 18 insurers, representing 80.9 percent of the state's auto insurance market, and focused only on private passenger automobile insurance. The survey found that 31.16 percent of in-force telematics policies experienced a decrease in premium rates due to telematics. Roughly 45.25 percent saw no changes in premiums at the time of renewal. Lastly, 23.6 percent of policies saw an increase in their premiums due to adjustments in the telematics score.<sup>7</sup> The survey concludes that this would suggest that there is only a 31.16 percent chance that a policyholder would experience a premium decrease when enrolled in a telematics program.

For a more thorough analysis of the potential impact of telematics on the California insurance market, please see the Senate Insurance Committee analysis.

### 3. Mapping your every move (and more)

Vehicle data, in general, is incredibly sensitive. Driving is a necessity for many Californians, who rely on cars to commute to work, practice their religion, and engage with the community. In the age of connected products, vehicle data can reveal numerous data points and sensitivities about a driver, from precise geolocation data to driving behavior. In certain cases, cars can collect audio and visual data of the interior and exterior of the car. New automobiles are increasingly equipped with advanced technology that exacerbates this expansive data collection.

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<sup>5</sup> Lisa Pinals et al., *Motivating Safer Driving with Telematics*, Cambridge Telematics, <https://m.cmtelematics.com/hubfs/CMT%20Study%20-%20UBI%20Engagement%20Impact.pdf>.

<sup>6</sup> Kara McGinley, *How Does Usage-Based Car Insurance Work?* (February 20, 2026) Wall Street Journal, <https://www.wsj.com/buyside/personal-finance/auto-insurance/usage-based-insurance?msocid=07f0c87217e16bc80b6adf3e16946a14>.

<sup>7</sup> *Telematics Survey Report: Auto Insurance Market in Maryland* (July 2025) Maryland Insurance Administration, <https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/Telematics-Survey-Report-2025.pdf>.

The very essence of telematics necessitates the expansive collection of data. In fact, as one article notes, telematics produces the best results when the maximum data on vehicles and driving can be collected.<sup>8</sup> For instance, below is a non-exhaustive list of data elements that Maryland insurers use in their telematics programs:

- Location.
- Time of day.
- Acceleration.
- Battery level.
- Fuel.
- Phone permissions.
- Phone motion.
- Braking.
- Idle time.
- Altitude.
- Unsafe following.
- Aggressive turning.
- Installation time stamp.
- Uninstalled time stamp.
- G-force.
- Device information.
- Handheld calling.
- Hand-free calling.
- Screen activation data.
- Phone motion.
- Engine RPMs.<sup>9</sup>

However, the specifics of information collection vary significantly on a state-by-state basis. Each state has its own respective laws on insurance and data privacy, making it challenging to ascertain what data may be collected in a given state or program. Generally, however, telematics programs use location data. This does raise privacy concerns, even if that data is deidentified. As explained by Consumer Reports:

If an insurer collects location data, for example, sensitive information about your driving routes and habits can become available to other parties if there's a data breach, or if your insurer's privacy agreement contains confusing language that allows the company to sell that data without your knowledge.

"Companies can say they're not selling your data, but use weaselly language that hides the fact that the data has been 'de-identified', or stripped of personal information, and sold anyway," says [John Davisson, senior counsel and director of litigation at the Electronic Privacy Information Center]. "But that de-identified data can later be matched with other commercially available data about you and 're-identified'."<sup>10</sup>

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<sup>8</sup> Jon Truby et al., *Regulatory options for vehicle telematics devices: balancing driver safety, data privacy, and data security* (2024) International Review of Law, Computers & Technology 38(1), [https://ris.utwente.nl/ws/portalfiles/portal/319981640/Regulatory\\_options\\_for\\_vehicle\\_telematics\\_devices\\_balancing\\_driver\\_safety\\_data\\_privacy\\_and\\_data\\_security.pdf](https://ris.utwente.nl/ws/portalfiles/portal/319981640/Regulatory_options_for_vehicle_telematics_devices_balancing_driver_safety_data_privacy_and_data_security.pdf).

<sup>9</sup> *Telematics Survey Report: Auto Insurance Market in Maryland* (July 2025) Maryland Insurance Administration, <https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/Telematics-Survey-Report-2025.pdf>

<sup>10</sup> Benjamin Preston, *Usage-Based Car Insurance Can Save You Money, but It Puts Your Data Privacy at Risk* (August 21, 2025) Consumer Reports, <https://www.consumerreports.org/money/car-insurance/car-insurance-telematics-pros-and-cons-a5869096072/>.

A coalition of privacy rights advocates, including Privacy Rights Clearinghouse and TechEquity Action, echoes this sentiment in opposition to this bill:

Behavioral and location data cannot be meaningfully anonymized. A 2013 study published in *Scientific Reports* found that just four spatio-temporal data points from an otherwise anonymous dataset of 1.5 million individuals' location information are sufficient to reidentify 95% of individuals. Two points can uniquely identify 50%. Telematics data, which captures daily driving patterns between home, work, school, and other regular destinations, creates a behavioral fingerprint that survives the removal of direct identifiers.

Data collection can be done either by the insurers themselves or by a third-party telematics provider. In certain cases, it can be a mix of both, with some insurers operating multiple telematics policies.

Telematics data has been used for nefarious purposes. Most concerningly, Customs and Border Protection (CBP) and Immigrations Custom Enforcement (ICE) have utilized telematics data:

If the police know a car has General Motors OnStar on board, they know they can ask America's largest carmaker to hand over the vehicle's location information from the internet-connected safety and security system. They can do the same with any business that stores so-called telematics information, which includes not only a vehicle's whereabouts, but also more specific data, such as how fast a car is traveling or for how long it is idle.

In previously undisclosed uses of that power, in the last 18 months Customs and Border Protection (CBP) and Immigrations Customs Enforcement (ICE) officials demanded location data from three companies who collectively track the movements of tens of millions of vehicles every day: GM OnStar, Geotab and Spireon. The cases show not only that immigration agencies have yet another valuable tool to help locate unknown individuals of interest, but also highlight how car systems constantly collect location and car use information from a vehicle, data that can be provided to the government when it makes a valid request.

In February, according to a search warrant unearthed by Forbes, a CBP agent was looking out for traffic trying to avoid a border patrol checkpoint in the Sonoita area of Arizona. He'd started following a vehicle—a Chevrolet Equinox—that had begun driving erratically, and when it swerved to avoid a collision with oncoming traffic, three heads popped up from the rear passenger seats, indicating that people were

hiding in the back. That's when the officer pulled the Chevrolet over for inspection. But as he got out of his patrol car and was approaching the car, it sped off, and a pursuit began. The chase came to an end when the car's occupants exited the still-moving vehicle, with the first contorted in the middle of the road, the second semi-conscious with a head wound. A third emerged from the brush by the roadside, uninjured. They would later claim they were immigrants from Mexico and had been forced out of the car by the driver.

Knowing that Chevrolet cars come equipped with OnStar, the CBP, working with ICE's Homeland Security Investigations (HSI) division, was able to demand location information for the vehicle. At first, OnStar provided "one-time vehicle location data," though when checked, the car was not at the given coordinates. But a day later, ICE found the car thanks to another disclosure of OnStar location information and had a lead as to the whereabouts of their chief suspect. (No one has yet been charged in that case and the DOJ hadn't responded to a request for comment at the time of publication.)

GM said it could not comment on the investigation in Arizona but noted it does "receive warrants and court orders from time to time that request vehicle data."<sup>11</sup>

#### 4. What this bill does

This bill authorizes a consumer to opt in to telematics to establish their driving record, amending Proposition 103. The bill requires that participation in such a program be voluntary, requiring a notice that necessitates informed consumer consent. It provides the revocation of consent for participation in a telematics program at any time, with it coming into effect at the beginning of the next policy term. It further provides that the Good Driver discount may be determined using telematics data, following the initial policy term.

Related to changes in premiums, the bill prohibits premium increases in increments of less than six months from the policy's effective date. It also provides that this does not affect the ability of an insurer to make adjustments during the policy term, if the flexibility is approved by the Commissioner.

The bill also provides some data protections surrounding telematics data, including by creating prohibitions surrounding the sale, sharing, disclosure, use, and obtainment of

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<sup>11</sup> Thomas Brewster, *These Companies Track Millions Of Cars – Immigration And Border Police Have Been Grabbing Their Data* (April 1, 2021) Forbes, <https://www.forbes.com/sites/thomasbrewster/2021/04/01/these-companies-track-millions-of-cars-immigration-and-border-police-have-been-grabbing-their-data/>.

telematics data by insurance providers and third-party telematics providers. This includes prohibitions surrounding the collection or use of telematics data for marketing or for any purpose other than auto insurance rating. The bill does provide for disclosure of identifying telematics data pursuant to a subpoena or other legally enforceable process, requiring a written notice before disclosing this information.

This bill highlights the rate application process for telematics, requiring various materials to be submitted in order to use telematics to establish an insured's driving record. This includes all data elements collected, a description of the telematics program, and all scoring models, among other items. The bill provides that all of this information constitutes a trade secret and can, therefore, not be subject to public disclosure.

Additionally, this bill provides that an insurer is responsible for the actions of third-party telematics providers only if the insurer knew of violations and did not take steps to stop the violation. The bill provides that the Commissioner may impose civil penalties, corrective orders, suspension of the insurer's telematics program, and license discipline, including revocation of the insurer's certificate of authority. It further requires, as the Commissioner deems necessary, the adoption of regulations to administer this bill's provisions.

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.

## 5. Concerns

Telematics, as a practice, does have the potential to reduce insurance premiums and encourage driver safety. However, there are a number of concerns with this practice, related to privacy, equity, and effectiveness. For the purposes of this Committee, this analysis will focus on the two former concerns.

This bill provides that an insurer is only liable for sharing data with a third-party telematics company that misuses consumer data if it knowingly does so. Liability, generally, is intended to promote compliance and encourage careful intentions. Unfortunately, as explained by the California Department of Insurance:

AB 311 conditions insurer responsibility on what the insurer “knew,” creating a substantial liability loophole that enables insurers to evade accountability simply by declining to monitor their vendors. Consumers cannot prove an insurer’s knowledge, and the Insurance Commissioner cannot enforce violations when insurers can assert ignorance under this proposal. 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. These concerns are compounded by the bill’s treatment of telematics data as a “record,” despite Prop. 103’s requirement that rating factors be based on verifiable government records such as Motor Vehicle Report (MVR). The bill also improperly ties the “Good Driver Discount” eligibility to telematics data rather than the statutory MVR-based definition and conflates mandatory rating factors by embedding mileage into the telematics definition. These conflicts directly undermine Prop. 103’s core mandate that insurers remain fully and unequivocally accountable for all rating activities conducted on their behalf.

Furthermore, this bill raises questions surrounding its intersection with California’s right to privacy. The bill provides that, while a consumer can opt out of using telematics to dictate their driving record, insurers can use pre-opt out telematics data to determine the remainder of the consumer’s driving record. As noted by a coalition of consumer rights advocates and privacy groups:

AB 311 delays that revocation to the start of the following policy term and allows the insurer to continue using telematics data collected before the revocation for rating through the remainder of the current term (§1861.51(c)). A consumer who decides mid-term to stop being tracked, including a consumer who concludes the program is penalizing them or who faces a safety reason to stop, can no longer end the collection and use of their data when they revoke. They must wait until the next term, and their pre-revocation data continues to rate them in the meantime. This is a direct reduction of the control the bill purports to give consumers over their own data.

These issues are compounded by the fact that critical terms in this bill remain undefined, leaving gaps as to what data may be collected. As noted by the consumer and privacy coalition:

AB 311 excludes “non-driving-related personal information” from its definition of telematics (§1861.5(d)-(e)), but the bill never defines what that term means. AB 311 makes its strongest concession here. It bars collecting biometric data, including facial recognition, fingerprint, retina

scan, voice print, and physiological monitoring data, and bars audio or visual recordings of vehicle occupants (§1861.57(d)). It also adds examples to the exclusion in §1861.5(d): biometric and biometric-adjacent information, audio or visual recordings of occupants, precise geolocation data outside of a rated trip, and any data unrelated to the operation of a motor vehicle. These prohibitions answer concerns we raised in April.

However, the concession does not reach the underlying problem. AB 311 still does not define “nondriving-related personal information.” The new examples are introduced by “such as,” which is non-exhaustive, so the term’s boundaries remain open to interpretation. The exclusion of “precise geolocation data outside of a rated trip” concedes that precise location inside a rated trip is still collected. Driving data inherently reveals far more than driving behavior. Daily patterns of movement between home, work, school, medical appointments, places of worship, and political gatherings create a detailed portrait of a person’s life, and that portrait is built from the in-trip location tracking the bill continues to authorize.

The California Department of Insurance further notes:

AB 311 repeatedly fails to provide the Insurance Commissioner with direct enforcement authority over vendors, while simultaneously insulating those vendors from meaningful accountability. Critical terms remain undefined, including “trip data” and “driving history,” which are used in similar contexts but lack statutory clarity. We believe the proposed enforcement mechanisms applicable to insurers are insufficient to ensure compliance when vendors perform essential rating functions, while the bill’s delegation of statutory changes to regulation violates “in furtherance” case law, creating significant litigation risk and potential invalidation. These structural deficiencies allow insurers to shift responsibility to entities beyond the Insurance Commissioner’s jurisdiction, fundamentally undermining the regulatory framework established by Prop. 103 and weakening the Department’s ability to protect consumers.

As previously noted, telematics data has been used for nefarious purposes. It, therefore, is a legitimate question as to whether or not this bill’s data safeguards are enough to protect it from external outcomes:

AB 311 responds to the government-access concern twice. A governmental entity “shall not collect, receive, retain, access, use, disclose, or obtain telematics data,” except deidentified, aggregated data used only for roadway safety analysis, infrastructure planning, or crash prevention

research (§1861.57(g)), and data collected under the article “shall not be used for immigration enforcement purposes” (§1861.54(d)).

AB 311 supplies no mechanism for enforcing §1861.57(g) against a governmental entity, as its enforcement provisions run through the commissioner’s authority over insurers (§1861.62). It does not define “governmental entity.” And no California insurance statute binds federal agencies or other states’ authorities, so the command that data “shall not be used” for immigration enforcement depends on the federal government policing itself. Meanwhile, the bill’s own disclosure rule runs the other way. An insurer “may disclose telematics data that identifies a consumer, pursuant to subpoena or other legally enforceable process,” with written notice to the consumer (§1861.52(b)(2)(B)). Immigration, civil, and administrative demands run on exactly that kind of process, from any jurisdiction, and an insurer served with enforceable process will comply.

As it relates to equity concerns, there are legitimate questions as to whether those who need lower premiums the most would actually receive them. To begin, driving time is not exempt from telematics data. Low-income individuals often have to work multiple jobs, which can lead to a high volume of late-night drives. This is often a factor that is associated with a higher risk. As explained by a coalition of consumer rights advocates and privacy groups:

Telematics programs score drivers on factors that correlate strongly with race and income. A 2021 Consumer Reports investigation of the ten largest auto insurers’ telematics programs found that nearly all penalize late-night and early-morning driving. Workers who drive these hours are disproportionately Black, Latino, low-income, and employed in shift work and the gig economy. They do not choose when they commute.

[...]

AB 311 attempts to respond to the equity concern, but not in a way that resolves it. Its findings do not limit what a scoring model may weigh; the operative text does, and the operative text preserves the problem. AB 311 directs insurers to collect “only data that is strictly necessary” to determine four behaviors: speeding relative to the posted limit or the flow of traffic, abrupt braking, complete stops, and frequent lane changes (§1861.6(a)). Abrupt braking and speed relative to traffic are the two factors Consumer Reports found penalize dense urban driving. Additionally, the definition of telematics data remains open-ended (“including,” §1861.5(e)), so nothing confines scoring to even those four factors.

Access to telematics is itself unequal. Older and cheaper vehicles, more likely driven by lower-income Californians, are less compatible with telematics hardware, and lower-income drivers are less likely to own the smartphones that many telematics apps require. AB 311 builds that inequality into the program. An insurer may deny participation to a consumer who cannot “meet reasonable technology and compatibility requirements of the program” (§1861.59(a)), and consumers bear the “ordinary and incidental costs” of participating, including mobile device or data usage (§1861.59(a)(4)). The drivers under the most financial pressure to enroll are the most likely to be turned away or charged for entry, and the most likely to be penalized by the scoring once enrolled.

On a related equity concern, the Department of Insurance further notes:

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. The statement, in proposed section 1861.54, that “telematics data shall qualify as a ‘driving safety record’ and shall not be used as a proxy for anything else” is vague and unenforceable, and Department staff have documented numerous cases where facially neutral criteria produce disparate impacts, such as the use of census-tract voter registration rates as a proxy for race or citizenship. [...]

The vast data collection and potential for various disparities necessitate that a telematics program be subject to significant oversight and scrutiny. Unfortunately, as explained by the California Department of Insurance:

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. Proposed trade secret protections provisions directly conflict with Prop. 103’s long-standing public-disclosure mandate for all publicly filed applications to the Department and limit civil discovery. The opt-in provision conflicts with California’s Uniform Electronic Transactions Act (CIV 1633.1, eq seq.) and the Department’s authority by permitting consent through undefined “electronic means,” enabling potentially deceptive methods for obtaining consumer consent. By eliminating or restricting critical disclosure obligations, the bill impedes the Insurance Commissioner’s ability to evaluate rating practices, limits the public’s right to scrutinize insurer conduct, and undermines the statutory safeguards designed to prevent unfair or discriminatory pricing.

These reductions in transparency directly erode consumer protections and are fundamentally inconsistent with both the letter and the purpose of Prop. 103.

To tie it back to the opening statement of this analysis, California's insurance market is unique, even when compared to other states. Changing such a long-standing precedent regarding a required type of insurance necessitates full certainty; this, unfortunately, is lacking with regard to the use of telematics. Data is essential to this endeavor. As such, the author may wish to consider amending the bill to consolidate and prepare research and recommendations related to the potential for proper implementation of telematics in California's auto insurance market.

#### 6. Additional stakeholder positions

Streets for All, a sponsor of this bill, writes in support:

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 brings California in line with these national trends by authorizing the use of telematics in a way that is consistent with the consumer protection principles established under Proposition 103. The bill maintains the existing rating framework while allowing telematics to serve as a modern, voluntary tool for establishing a driver's safety record. Importantly, it pairs this new flexibility with strong privacy protections, including clear consent requirements, strict limits on data use, limits on data retention, prohibitions on collecting audio or visual recordings of vehicle occupants, and robust oversight to ensure accountability.

The California Department of Insurance writes with an oppose unless amended position:

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. Ambiguous data-retention standards create operational uncertainty for the regulator and insurers alike, and the requirement for mandatory MVR

access for telematics programs raises compliance and implementation questions. The bill also relies on outdated regulatory guidance, including a 2014 New York Department of Financial Services' (NYDFS) Circular Letter<sup>2</sup> that predates modern AI-driven telematics systems; we believe the relevant authority is the 2024 NYDFS Circular Letter<sup>3</sup>, which requires demonstrated actuarial validity, statistical significance, non-discrimination, and vendor-oversight safeguards – standards that AB 311 does not provide, leaving consumers and regulators vulnerably exposed.

A group of insurers, including the Personal Insurance Federation of California, write in support:

For many, the biggest concern when they hear about these types of programs is around privacy. Those concerns have certainly been reinforced in recent months by news stories about the unauthorized collection of driver data by auto manufacturers. Covert, unauthorized collection of personal information violates core principles of California law and would not be permissible in any program were it to move forward in California. The trades support the privacy principles outlined in ACR 224, as well as those that the Electronic Frontier Foundation published in their article about safe driver incentives, dated June 22, 2023. Our industry has supported a California model and has attached our letter dating July 5, 2023 indicating our support for a more rigorous California-centric model here.

Core to such a model would be:

- An opt-in structure,
- limitations on data use,
- limitation of retention time,
- and transparency.

The trades have worked to ensure that the privacy principles which California has pioneered would be central in a new California-specific safe driver incentive model. Protections outlined in laws like the California Consumer Privacy Act would be included to the degree that they conform with the requirements of existing insurance regulatory and statutory requirements.

Some have raised concerns that these incentives would not be available to those most in need, particularly for those with limited access to new technology. However, nine of ten people in the United States have a smartphone<sup>4</sup> which would be able to support any app-based safe driving incentive program. For the one in ten who do not, many insurers offer

alternatives such as dash dongles, which plug directly into the vehicle to collect the necessary data.

**SUPPORT**

Streets for All (sponsor)  
American Property Casualty Insurance Association  
Community Build, INC.  
Environmental Justice League  
National Association of Mutual Insurance Companies  
Pacific Association of Domestic Insurance Companies  
Personal Insurance Federation of California  
The Honorable Ricardo Martinez, Md, Facep

**OPPOSITION**

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

**RELATED LEGISLATION**

AB 1833 (McKinnor, 2026) 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. AB 1833 is pending in the Assembly Privacy and Consumer Protection Committee.

SB 572 (Gonzalez, 2025) would have required, contingent on the repeal of an applicable federal order, a manufacturer of a vehicle with specified advanced driver assistance system technology to report accident data to the Department of Motor Vehicles. SB 572 was held in the Assembly Appropriations Committee.

**PRIOR VOTES:**

Senate Insurance Committee (Ayes 5, Noes 0)  
Not Relevant

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