SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 311 (McKinnor) - Consumer Driving Data Protection Act of 2026

Version: July 9, 2026
Policy Vote: INS. 5 - 0, P., D.T., & C.P. 8 - 0
Urgency: No
Mandate: No
Hearing Date: August 3, 2026
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Bill Summary: AB 311 establishes the Consumer Driving Data Protection Act of 2026, authorizing private passenger automobile consumers to use telematics to establish their driving records for rate and premium determinations. AB 311 also creates comprehensive standards for the collection, retention, and use of this data, while establishing oversight requirements for the California Department of Insurance (CDI).

Fiscal Impact:

- CDI estimates costs of $2.03 million in Fiscal Year (FY) 2026-27, $3.90 million in FY 2027-28, and $3.62 million in FY 2028-29 and ongoing for an additional 14 positions (Insurance Fund). CDI notes the bill creates additional costs without a revenue mechanism, which would put additional pressure on its Fees and License and Proposition 103 sub-accounts.

- The Department of General Services (DGS) estimates a total ongoing fiscal impact in the tens of millions of dollars annually (General Fund and special funds). DGS's Office of Fleet and Asset Management (OFAM) manages the state fleet of approximately 36,000 vehicles. To maintain statewide fleet standards and required travel logs (per State Administrative Manual Sections 4107 and 4122), OFAM relies heavily on vehicle-specific telematics data for utilization tracking, right sizing decisions, safety monitoring, idling reduction, maintenance scheduling, emissions reporting, supporting EV charging and infrastructure planning, and monitoring fuel efficiencies.

  Because the bill restricts governmental access to telematics data, prohibiting the collection of any identifiable or trip-level data and limiting its use to roadway safety analysis, infrastructure planning, or crash prevention research, OFAM would no longer be able to utilize the automated telematics data collection it depends on to evaluate the state fleet's operations. Consequently, DGS anticipates significant costs to replace the state's current telematics program with a labor-intensive, manual process.

- Unknown, likely absorbable costs for the Department of Motor Vehicles (DMV) to provide a telematics program access to a driver's Motor Vehicle Record (MVR), as DMV already has a dedicated process for businesses, including insurers, to request information on a driver's MVR through its commercial Information Requester program. Additionally, DMV does not collect telematics data on drivers and is generally prohibited from disclosing MVR information outside of convictions, accidents, suspensions, or revocations as part of a public driving record.

Background: 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.

Proposed Law:

- Establishes the Consumer Driving Data Protection Act of 2026.

- Authorizes consumers to opt into using telematics to establish their driving record for determining automobile insurance rates and premiums. Specifies that participation in a telematics program is voluntary and requires the insured's written consent. Requires consumer authorization to be all of the following:

    - Written in clear, plain language easily understood by the consumer.

    - Free from any feature or characteristic that may confuse a consumer or impair the consumer's ability to freely express the consumer's preference. It shall be equally easy for a consumer to opt out of a telematics program as it is to opt in, and ready means shall be provided for a consumer to opt out of a telematics program once the consumer has opted in.

    - Provided to the CDI with the rate application seeking to apply telematics to establish an insured's driving record.

- Prohibits insurers that use telematics from doing any of the following:

    - Requiring participation in a telematics program as a condition of obtaining or renewing coverage.

    - Penalizing, surcharging, or otherwise adversely underwriting a consumer who declines to participate in a telematics program.

    - Conditioning eligibility for a discount upon participation in a telematics program, unless the discount is approved by the Commissioner.

    - Increasing premium in increments of less than six months from the date the policy goes into effect. Clarifies that an insurer may still make adjustments throughout the policy term if the Commissioner approves such flexibility in a rate filing for the telematics program.

- Authorizes consumers to revoke their consent to participate in a telematics program at any time, with the revocation taking effect immediately. Prohibits insurers from collecting any telematics data after consent is revoked.

- Requires insurers that use telematics to establish a process allowing consumers to appeal data collected through the program that they believe is incorrect, or to appeal the application of a rating factor. Authorizes the Commissioner to adopt regulations for this dispute process.

- Requires requests to correct telematics trip data collected via a mobile device to be resolved in favor of the consumer.

- Authorizes insurers to return a driver to traditional rating factors if that driver is found to have repeatedly and fraudulently requested changes to their driving history under a telematics program.

- Authorizes a telematics program to consider a driver's Motor Vehicle Record (MVR) information from DMV pertaining to high-risk behavior that has resulted in a two- or three-point violation.

- Requires telematics programs to access a driver's MVR to determine if the driver is entitled to a Good Driver Discount (GDD). If a driver is entitled to a GDD, the program must apply this same discount for the initial policy term utilizing telematics; the continuation of the discount may then be determined based on telematics data.

- Prohibits insurers or third-party telematics providers from doing any of the following:

    - Collecting or using telematics data without obtaining and documenting prior written consumer consent.

    - Collecting or using telematics data that predates the required consumer authorization, including data from a third-party provider, unless the consumer has expressly authorized the insurer in writing to request that data for telematics rating. If authorization is withheld, the insurer may continue using traditional rating factors until sufficient telematics data has been collected to provide a telematics rate.

    - Collecting or using telematics data for marketing, or for any purpose other than rating private passenger automobile insurance policies.

    - Underwriting, except as it conforms with permitted underwriting applications under existing traditional rating factors.

    - Handling claims, unless expressly permitted or provided by the driver.

    - Sharing or disclosing telematics data to any person, except to a contracted third-party telematics provider solely to perform telematics-related insurance services, and only to the extent strictly necessary for those services.

    - Selling or obtaining valuable consideration in connection with the disclosure of telematics data.

    - Undertaking any other prohibited acts specified by the Commissioner in regulation.

- Prohibits insurers from sharing telematics data with third parties beyond what is required to provide contracted services, except in specified situations where the insurer provides written notice to the consumer prior to disclosing any personally identifiable information. Requires the consumer authorization document to explicitly outline data collection methods, usage purposes, premium impacts, third-party access, retention limits, and comprehensive consumer rights regarding data access, revocation, and appeals..

- Requires insurers, upon request, to provide a consumer's telematics data and clearly explain how it contributed to a rating determination or any other insurer decision impacting the consumer.

- Requires insurers, before using telematics data to make a rating or insurance decision, to allow the insured to review their data and any identified areas for improvement. Requires insurers to give the insured the option to:

  - Authorize a rating determination based on the collected data.

  - Request deletion of the collected data prior to any decision being made, and initiate one additional data collection period of at least 30 days.

  - Revoke their consent to participate in the telematics program.

- Requires insurers to collect telematics data for at least 30 days before providing the insured the ability to review.

- Requires insurers to provide the insured with a clear and conspicuous notice of their rights under the Act, along with a copy of all collected telematics data upon request.

- Requires insurers to clearly state in all private passenger auto insurance advertising that both telematics and traditional products are available. Additionally, when advertising savings or providing quotes, insurers must indicate the rates tied to the telematics program alongside a comparison rate for an equivalent traditional product.

- Specifies that telematics data be used only for rating for private passenger automobile insurance, and requires insurers to obtain prior written consumer authorization before the collection or use of telematics data.

- Specifies that a telematics rate application is deemed complete only upon submission of specified comprehensive program materials to the Commissioner and exempts any proprietary or trade secret information within these submissions from the California Public Records Act.

- Requires insurers to regularly conduct, document, and disclose validation studies and ongoing model governance of scoring models to CDI upon request.

- Authorizes the Commissioner to require independent audits and to suspend or prohibit any telematics program resulting in rates that are excessive, inadequate, or unfairly discriminatory. Additionally, requires insurers to provide compliance documentation to the Commissioner upon request and to retain these records for at least seven years.

- Establishes strict data collection, security, and usage mandates for insurers and third-party providers, requiring them to implement physical and technical safeguards and collect only necessary data. Prohibits the collection of biometrics, audio/video recordings, or unrelated connected-vehicle information, and strictly bans the sale, sharing, licensing, or use of telematics data for marketing.

- Specifies retention limits and deletion protocols, requiring telematics data to be deleted upon consumer request, authorization revocation, or program termination, unless needed for compliance or fraud investigation.

- Restricts governmental access to telematics data by prohibiting the collection of any identifiable or trip-level data. Authorizes state and local, but not federal, entities to use only deidentified, aggregated data, and limits this use to roadway safety analysis, infrastructure planning, or crash prevention research.

- Provides that insurers are fully responsible for third-party provider violations they knew or reasonably should have known about but did not take steps to stop.

- Requires insurers to maintain and disclose all written contracts with third-party telematics providers during CDI market conduct exams.

- Clarifies that a contract entered into by an insurer or a third-party telematics provider for collecting, storing, processing, or analyzing telematics data does not relieve the insurer of any obligation under the Act.

- Prohibits insurers from denying a consumer the ability to participate in its telematics program solely based on one of the following, except to the extent these factors are necessary to meet reasonable technology and compatibility requirements of the program:

    - A vehicle operated by the consumer.

    - The consumer’s mobile device, carrier, operating system, or other technological attribute.

    - The consumer’s lack of mobile device.

    - Any factor beyond the control of the consumer or that requires the consumer to incur an expense other than the payment of premium, excluding ordinary and incidental costs associated with participation in the program, including mobile device or data usage.

- Prohibits retaliation against a consumer by a licensee or third-party service provider, as specified.

- Prohibits insurers from conditioning participation in a telematics program upon waiver of the rights held by a consumer under the Act.

- Requires insurance providers and third-party vendors to strictly limit telematics data collection to specific driving safety metrics (such as speed, abrupt braking, stopping, and lane changes) captured only while the vehicle is in operation, and mandates the anonymization of all individuals and license plates in any external camera footage.

- Requires providers to immediately delete data once a rating is assigned, suspending further collection until the next renewal period, and delete all collected data within 24 hours if a consumer exits the program, provided the consumer is first offered a copy of their data.

- Requires providers to obtain the consumer's express written or electronic consent via a standalone, plain-language document prior to data collection. This notice must explicitly state that participation is voluntary and comprehensively detail the data categories collected, collection methods, usage purposes, premium impacts, third-party access, retention timelines, and the consumer's rights regarding data access, correction, revocation, and appeals.

- Prohibits an insurance provider or third-party vendor from:

    - Collecting audio or visual recordings of the occupants inside of the vehicle, including the driver, or persons outside of the vehicle.

    - Using technology that collects biometric information, including imagery of the iris, retina, fingerprint, face, hand, palm, vein patterns, heart rate, neural activity, voice recordings, or any other information identifying the unique characteristics of a person.

    - Combining the data collected through the in-car technology with any other data, including information acquired from another business or affiliate, and using this data to make inferences whether a person is a safe driver.

    - Using telematics data for any purpose other than identifying whether a driver is driving safely and following street and highway safety laws.

    - Selling or sharing the data with another business, including an affiliated business.

    - Purchasing or acquiring data from another source as part of a telematics program.

    - Retaining telematic data for more than six months.

    - Collecting any telematics data that is unrelated to the collected elements of subdivision (a) of Section 1861.6, including data unrelated to safe driving such as time of driving, location of the vehicle, and other connected vehicle information, including screen captures.

- Provides that a violation of the Act constitutes a rating violation and authorizes the Commissioner to impose civil penalties, corrective orders, suspension of an insurer's telematics program, license discipline.

- Authorizes the Commissioner to adopt regulations as deemed necessary to administer the Act. Specifies that these regulations are exempt from the Administrative Procedures Act.

- Provides definitions for purposes of the Act.

- States legislative findings and declarations.

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