
SENATE COMMITTEE ON INSURANCE

Senator Stephen Padilla, Chair

2025 - 2026 Regular

Bill No:	SB 1315	Hearing Date:	April 8, 2026
Author:	Cabaldon		
Version:	February 20, 2026	Introduced	
Urgency:	No	Fiscal:	Yes
Consultant:	Brandon Seto		

SUBJECT: Drive My Car Act

DIGEST: Prohibits an admitted insurer writing private passenger automobile insurance from increasing premiums, rates, or any other charges for such policies, based on a driver's use or lack thereof, of an advanced autonomous driving system. Extends this prohibition to considerations relating to obtaining or retaining insurance coverage. Allows for administrative penalties and a private right of action for violations of the bill's provisions.

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.

Existing regulations:

- 1) State that pursuant to Proposition 103, the following Optional Rating Factors may be considered by auto insurers in the calculation of rates:
 - a) Vehicle type
 - b) Vehicle performance capabilities
 - c) Type of use of vehicle – recreation, commute, business, farm, etc.

- d) Percentage use of the vehicle by the rated driver
- e) Multi-vehicle households
- f) Academic standing of the rated driver
- g) Completion of driver training or defensive driving courses by the rated driver
- h) Vehicle characteristics, including engine size, safety and protective devices, damageability, repairability, and theft deterrent devices
- i) Marital status of the rated driver
- j) Persistency – customer loyalty
- k) Non-smoker
- l) Secondary Driver Characteristics
- m) Multiple policies with the same, or an affiliated, company
- n) Relative claims frequency
- o) Relative claims severity

This bill:

- 1) Defines “Advanced autonomous driving system” to mean a vehicle system that meets the definition of SAE Level 3 (Conditional Driving Automation), SAE Level 4 (High Driving Automation), or SAE Level 5 (Full Driving Automation), as defined by the Society of Automotive Engineers International standard, and applies its provisions only to these levels.
- 2) Defines “Autonomous engagement rate” to mean the percentage of driving time or distance during which an advanced autonomous driving system is actively controlling the vehicle.
- 3) States that an admitted insurer writing private passenger automobile insurance shall not increase the premium, rate, or any other charge for a policy of automobile insurance based solely or partially on any of the following:
 - a) An insured’s decision not to engage or activate an advanced autonomous driving system in a vehicle equipped with that technology.
 - b) An insured’s low autonomous engagement rate.
 - c) An insured’s preference for manual vehicle operation when advanced autonomous driving capability is available.
- 4) Specifies that an insurer shall not do any of the following:

- a) Require the use or engagement of advanced autonomous driving systems as a condition of obtaining or renewing coverage.
 - b) Nonrenew, cancel, or refuse to issue a policy, or reduce coverage limits, increase deductibles, or modify policy terms, based on nonuse or minimal use of advanced autonomous driving systems, except as otherwise permitted.
 - c) Apply surcharges, fees, or administrative costs to nonusers or minimal users that are not applied to users of these systems.
 - d) Characterize manual driving as a risk factor warranting premium increases when advanced autonomous driving capability is available but unused.
- 5) States that violations of these provisions are an unfair insurance practice.
 - 6) Allows the Insurance Commissioner to impose administrative penalties not to exceed \$10,000 per violation after notice and a hearing.
 - 7) Specifies that a policyholder may bring a private right of action for violations, and be entitled to actual damages, injunctive relief, and reasonable attorney's fees and costs.
 - 8) Makes related findings and declarations.

Background

According to the author:

“California has long led the nation in embracing technological innovation, and autonomous vehicles are no exception. The question before the Legislature is not whether self-driving technology will transform how Californians live, but whether California's laws will be positioned to ensure that transformation occurs on terms that protect consumers rather than expose them to financial coercion.

SB 1315, the Drive My Car Act, starts the conversation on how to address a significant gap in current state law. Nothing in existing statute prevents an insurance company from penalizing a driver for choosing to operate their own vehicle rather than paying for an autonomous driving subscription. As the market evolves rapidly, California cannot afford to wait for that gap to be exploited before acting.

The financial stakes for California drivers are already taking shape. Tesla has discontinued its standard driver assistance feature, replacing it with a paid subscription that its CEO has publicly signaled will increase substantially in cost. In other states, at least one insurer has begun offering significant premium reductions to drivers who engage their vehicle's autonomous system. California's mandatory auto insurance framework is the mechanism that makes this form of consumer pressure possible.

SB 1315 does not impede autonomous vehicle adoption but rather establishes the consumer protections necessary for that adoption to proceed on a foundation of data.”

Questions

Section 1849.4(a) of the bill states “A violation of this chapter shall constitute an unfair insurance practice under subdivision (h) of Section 790.03.” However, this portion of the Insurance Code deals with unfair claims settlement practices, which do not seem to relate to the provisions of the bill. The author may wish to revise this reference.

Concerns

The California Department of Insurance (CDI) has raised concerns with the bill regarding the relationship of its provisions with Proposition 103. CDI’s stated specific concerns are:

Alteration of Proposition 103

The bill would establish a statutory prohibition preventing the Commissioner from adopting a rating factor based on a driver’s decision not to utilize autonomous driving systems, which is already de-facto prohibited because it is not one of the mandatory or optional rating factors. Insurers are permitted to use optional rating factors adopted via regulation by the Commissioner that are substantially related to risk of loss and not unfairly discriminatory. As a practical matter, because the bill would constitute an alteration to Proposition 103, it presents significant litigation risk.

Conflict with Proposition 103’s Assignment of Authority

Proposition 103 expressly vests ratemaking authority – including the interpretation, approval, and implementation of rating factors – in the elected Insurance Commissioner. Proposition 103 provides that auto insurance rates must be based primarily on the mandatory factors and the additional optional rating factors. By imposing a prohibition on the use of autonomous driving non-engagement as a rating or underwriting factor, the bill intrudes upon the Commissioner’s constitutionally assigned role.

A Driver’s Use of Autonomous Vehicle Technology Cannot Be Used as a Rating Factor

Currently insurers cannot use the decision to utilize autonomous vehicle technology as a rating criterion. If the Commissioner were to consider adopting a rating factor, or prohibiting a rating practice, within the Commissioner’s rulemaking authority, that would require CDI to study the issue and proceed via the normal rulemaking procedures and standards set forth in the Administrative Procedure Act.

Related/Prior 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. *Pending in Assembly Privacy and Consumer Protection Committee.*

SB 572 (Gonzalez, 2025). Requires, contingent on 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. *Held in Assembly Appropriations Committee.*

AB 33 (Aguiar-Curry, 2025). Prohibits an autonomous vehicle without a human safety operator from delivering commercial goods directly to a residence or to a business for its use or retail sale, as specified. *On the Senate Floor Inactive File.*

AB 316 (Aguiar-Curry, 2023). Restricts an autonomous vehicle with a gross vehicle weight of 10,000 pounds or more from being operated on public roads for testing purposes, transporting goods, or transporting passengers without a human safety operator physically present in the autonomous vehicle at the time of operation. *Vetoed by the Governor.*

Double Referral

Should this bill pass out of this committee, it will be heard in Senate Transportation Committee, which will analyze the issues in this bill under its purview.

ARGUMENTS IN SUPPORT:

None received.

ARGUMENTS IN OPPOSITION:

The insurance associations known as the “Trades” state:

“While we applaud the author’s forward-looking approach in an era in which technological changes often outpace government response, California voters have already established a robust regulatory system, under Proposition 103, that puts significant limits and barriers on how insurers can utilize technological advances in any new auto rating factor. Rather than allowing California’s existing regulatory framework to evaluate new technologies based on evidence, the bill preemptively restricts insurer pricing practices before any data has been collected, and before the technology has been tested, reviewed, or approved by CDI.

The bill appears to be a response to public statements suggesting that insurers may one day offer discounts tied to the use of advanced driver assistance or autonomous features. At present, however, there is no settled actuarial consensus demonstrating that such systems—particularly those marketed as “full self-driving”—produce consistent, verifiable reductions in loss frequency or severity. The appropriate response to that uncertainty is not a statutory ban, but regulatory scrutiny. This bill instead prohibits that possibility entirely, even if future data were to support it.

Importantly, existing law already prevents insurers from coercing consumer behavior through unfair or discriminatory pricing. This bill goes further by barring consideration of a potential safety features altogether, regardless of evidence. There is no indication that insurers are currently surcharging drivers for choosing manual operation, nor that CDI has approved any such rating factor. The bill therefore regulates against a hypothetical future scenario, rather than responding to a demonstrated market failure. In doing so, it creates statutory restrictions that may quickly become outdated as vehicle technology and safety data mature.”

SUPPORT:

None.

OPPOSITION:

American Property Casualty Insurance Association

Pacific Association of Domestic Insurance Companies
Personal Insurance Federation of California

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