

April 2nd, 2026

Senator Jamaal Bailey  
Chair  
Senate Insurance Committee  
172 State Street, Capitol Building  
[senatorjbailey@nysenate.gov](mailto:senatorjbailey@nysenate.gov)

Cc: Senate Insurance Committee Members, New York State Senators

Re: Support S5486/A10364 (Senator Comrie) —Requires Certain Disclosures by Automobile Insurers Relating to the Use of Telematics Systems in Determining Insurance Rates And/Or Discounts

The Consumer Federation of America (CFA)<sup>1</sup> urges the Senate Insurance Committee to support the bill S5486/A10364, which adds consumer protections and requires disclosures by automobile insurers relating to the use of telematics systems for determining customers' insurance premiums. The bill will promote transparency, ensure that telematics-derived premiums are fairly priced, safeguard consumer privacy and consumer data, and guard against unfair discrimination in these programs.

Telematics, or usage-based insurance (UBI), are insurance programs that capture consumers' driving data via devices, built-in technology, and mobile phones. The programs use that data to assess consumers' driving behavior, driving patterns, and other qualities to calculate their insurance premiums. The savings and surcharges vary by company and so do the driving behaviors measured. Some of the driving behaviors measured include hard braking, the time of day when driving, the distance traveled, acceleration, speed, how sharply and quickly

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<sup>1</sup> The Consumer Federation of America is an association of over 200 state and local consumer organizations that works to advance consumer interests through research, advocacy, and education. Our testimony is based on many years of experience working to make insurance more affordable and accessible. CFA's Director of Insurance Douglas Heller is a member of the Federal Advisory Committee on Insurance and a Board member who helps oversee California's low-cost auto insurance program. CFA's Research and Advocacy Associate Michael DeLong is a funded consumer representative with the National Association of Insurance Commissioners (NAIC) and a member of the Nevada Advisory Committee on Property and Casualty Insurance.



someone goes around corners, and location. Because there is not yet a systematic disclosure of the driving data that insurers collect from New Yorkers, we expect to find several other datapoints used by insurers under this law. For example, Liberty Mutual’s RightTrack program gathers information such as a driver’s odometer, battery level, fuel consumption, technology diagnostics, vehicle diagnostics, idle time, and battery level.<sup>2</sup>

New York, along with nearly every state, requires drivers to purchase and maintain auto insurance. Policymakers have a responsibility to ensure that this product is affordable and that consumers do not experience unfair discrimination. As companies press for increased participation in telematics programs, it is critically important that consumer protections are in place, both to ensure pricing fairness and to protect consumer privacy when companies use telematics data and the associated algorithms.

While these programs show some promise for reducing the number and severity of auto accidents and encouraging safer driver behavior, telematics, without rules adapted to its use, can lead to unjustified pricing, new risks to personal privacy, abuse of personal consumer information, and unfair discrimination. Additionally, insurers have generally withheld the full scope of their telematics programs and there is little transparency about their operations.

Insurance companies are aggressively promoting telematics through marketing, celebrity endorsements, and discounts for enrolling in these programs. Despite this pressure and increased adoption, most drivers still do not participate in them. A report by the Maryland Insurance Administration (MIA) found that in 2023 only 13% of Maryland drivers were enrolled in a telematics program.<sup>3</sup> This wariness is likely due in part to consumers’ concerns about their privacy, corporate misuse of their data, and data security. It is also likely a result of many consumers’

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<sup>2</sup> “Telematics Data Collected and Transmitted to Liberty Mutual Group.” Liberty Mutual Insurance. Retrieved on March 2<sup>nd</sup>, 2026. Available at <https://www.libertymutual.com/telematics-data>.

<sup>3</sup> “Telematics Survey Report: Auto Insurance Market in Maryland.” Maryland Insurance Administration. July 2025. Available at <https://insurance.maryland.gov/Consumer/Appeals%20and%20Grievances%20Reports/Telematics-Survey-Report-2025.pdf>.

dissatisfaction with the programs themselves. The recent report by MIA also found that most drivers did not save money on auto insurance by enrolling in telematics. In 2023, only 31% of Maryland drivers with telematics policies saw their premiums decline, while 24% of drivers with enrolled in telematics saw their premiums go up, and 45% of drivers saw no premium change.<sup>4</sup> Given the lack of strong oversight of the telematics scoring algorithms used by insurers, people who don't get the savings implied by insurers' marketing of these products have good reason to lack confidence in the promise that these programs are worth the privacy trade-off required to participate.

Strong regulation and oversight are necessary to make sure telematics programs are fair for consumers and that consumer data is protected. S5486/A10364 will set guardrails for the use of telematics programs in New York.

First, the bill requires insurers to provide explanations to the Superintendent of Insurance regarding how factors used in the telematics model or algorithm are connected to risk and to demonstrate that each data point collected is connected to the risk of loss. CFA is concerned that auto insurers may be using factors in telematics that serve as proxies for income or race or that are unnecessary for risk assessment but can yield valuable customer data to the insurance company.

Second, S5486 requires the public disclosure of scoring methodologies and reporting to the Superintendent regarding testing insurers conduct to ensure that telematics does not result in any discrimination on the basis of a protected class status, such as a consumer's race or ethnicity. As an example of a data point that could lead to such discrimination, rating drivers based on the time of day or night during which they drive, could lead to higher premiums for people who work a night shift or at jobs with inconsistent hours, and so have little control over their schedules. These jobs are disproportionately held by people of color.

Third, S5486 states that consumers must be allowed to request access to the data collected by telematics systems in a manner and form

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<sup>4</sup> "Telematics Survey Report: Auto Insurance Market in Maryland," *ibid.*



prescribed by the Superintendent, and that the data must be provided in a readable format. This transparency will not only allow customers to verify the accuracy of that information, but it will empower New Yorkers in the market place and help them make informed decisions about telematics offerings.

Fourth, insurers are prohibited from using any telematics data for any purpose other than underwriting and rating decisions. Companies would be allowed to use the information for determining consumers' risk and establishing premiums accordingly, but companies would not be allowed to monetize the data policyholders share through the telematics program. Cases of this misbehavior have already happened; in January 2025 Texas sued Allstate and its subsidiary Arity for illegally tracking drivers through their phones, gathering their personal information, and selling it to other insurance companies without their knowledge or consent.<sup>5</sup> Arity used the driving information of over 45 million Americans to give them driving risk scores, which insurers then used to hike auto insurance premiums, deny coverage, or refuse to renew policies.

Fifth, insurers are prohibited from using external consumer data and information, or algorithms or predictive models, that unfairly discriminate based on race, color, national or ethnic origin, religion, sex, sexual orientation, disability, and gender identity or expression. They would also be forbidden from using any external data, information, predictive models, or algorithms that result in this discrimination.

Telematics has been touted as a way to improve pricing in the auto insurance market and encourage safer driving. S5486 provides a framework to allow telematics to offer that benefit while ensuring fair pricing and protecting consumers from unfair and unnecessary exploitation of the data collected by insurers.

The Consumer Federation of America urges your support for S5486. Please contact us at [mdelong@consumerfed.org](mailto:mdelong@consumerfed.org) with any questions.

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<sup>5</sup> "Texas Sues Allstate Over Its Collection of Driver Data." By Kashmir Hill. The New York Times. January 13th, 2025. Available at <https://www.nytimes.com/2025/01/13/technology/texas-allstate-driver-data-lawsuit.html>.

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Sincerely,

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