



INSURANCE ASSOCIATION OF CONNECTICUT

SUITE 607 • 21 OAK STREET, HARTFORD, CT 06106 • PHONE (860) 547-0610 • FAX (860) 547-0615

Statement

Insurance Association of Connecticut

Insurance and Real Estate Committee

SB 10, AN ACT CONCERNING STANDARDS FOR THE USE AND SHARING OF DRIVER INFORMATION CAPTURED
BY MONITORING DEVICES OFFERED BY INSURERS

February 10, 2015

I am Eric George, President of the Insurance Association of Connecticut (IAC). The IAC opposes SB 10, An Act Concerning Standards for the Use and Sharing of Driver Information Captured by Monitoring Devices Offered by Insurers.

These monitoring devices are commonly referred to as telematics technology or Usage Based Insurance (UBI). They have proven to be effective tools in assessing specific driving behavior in order to tailor policies and premiums to a specific motorist. Typically, UBI and telematics technology are contained in devices that are affixed to a motorist's vehicle and record and relay that motorist's driving behavior.

Please note that usage of telematics and UBI technology is voluntary and, if a motorist is not interested in using this technology, she is not required to. Individuals who opt to use this technology are typically interested in providing insurers with evidence of their good driving behavior. Such evidence is very positive from the consumer's stand point.

SB 10 is problematic since it says that such UBI or telematics technology must be used in a "one size fits all" approach. This is a problem because it undermines the very purpose of this technology, which is to focus in on specific driving behaviors to determine risk.

It is also important to bear in mind that UBI and telematics technology is still in its emerging phase of development and mandating certain specific methods of usage of the technology will necessarily limit and hinder the effectiveness of the technology. Insurers need to be able to use this technology in a way that best meets the needs of the consumers.

As stated, the IAC opposes SB 10. Thank you for the opportunity to present the IAC's comments on this legislation.