

STATE OF NEW YORK

5486

2025-2026 Regular Sessions

IN SENATE

February 21, 2025

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to the use of telematics systems by insurers

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subsection (a) of section 2313 of the insurance law is
2 amended and a new subsection (u) is added to read as follows:

3 (a) In this article, "rate service organization" means a person or any
4 other entity which makes or files rates as permitted by this article, or
5 which assists insurers in rate making or filing by collecting, compiling
6 and furnishing loss or expense statistics, or by recommending rates or
7 rate information, or which inspects risks, tests appliances, formulates
8 rules or establishes standards, as such activities relate to rate making
9 or to administration of rates. It shall also include any third-party
10 developers or vendors of telematics systems as such term is defined in
11 this section. It shall include a person or entity which prepares and
12 files policy forms and endorsements on behalf of insurers. It shall not
13 include a joint underwriting association under section two thousand
14 three hundred seventeen of this article, or any employee of an insurer,
15 or in the case of insurers under common control or management an employ-
16 ee of any such insurer or their manager, nor shall it include actuaries,
17 certified public accountants, attorneys or other professionals who in
18 their respective vocations may advise insurers on rate questions.

19 (u) For the purposes of this article a telematics system shall mean
20 technology which monitors, stores and transmits information such as
21 motor vehicle location, driver behavior, engine performance and motor
22 vehicle activity. Third-party developers or vendors of telematics
23 systems shall file their model or algorithm with the superintendent.

24 § 2. The insurance law is amended by adding a new section 2304-a to
25 read as follows:

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 § 2304-a. Telematics systems. (a) Any insurer which offers or utilizes
2 telematics systems, as defined in section two thousand three hundred
3 thirteen of this article, and any third-party developer and vendor of
4 telematics systems, shall:

5 (1) provide to the superintendent an explanation of how the factors
6 used in the model or algorithm are connected to risk and demonstrate
7 that each factor used is related to risk of loss and incorporated in a
8 manner that directly reflects that relationship;

9 (2) publicly disclose scoring methodologies;

10 (3) report to the superintendent on what testing was done to ensure
11 that the telematics system does not result in discrimination against any
12 protected classes or to reduce disparate impact on such classes result-
13 ing from use of the telematics system; and

14 (4) allow consumers to request access to the data collected by a tele-
15 matics system in a manner and form prescribed by the superintendent and
16 provide the data in a readable format.

17 (b) No insurer or third-party developer or vendor of telematics
18 systems shall use any data collected for any purpose other than under-
19 writing and rating decisions.

20 (c) No insurer or third-party developer or vendor of telematics
21 systems shall:

22 (1) unfairly discriminate based on race, color, national or ethnic
23 origin, religion, sex, sexual orientation, disability, gender identity,
24 or gender expression; or

25 (2) use any external consumer data and information sources, nor any
26 algorithms or predictive models that use external consumer data and
27 information sources, in a way that unfairly discriminates based on race,
28 color, national or ethnic origin, religion, sex, sexual orientation,
29 disability, gender identity, or gender expression.

30 (d) In addition to such powers as may otherwise be prescribed by this
31 article, the superintendent is hereby authorized and empowered to
32 promulgate such rules and regulations as may in the judgment of the
33 superintendent be consistent with the purposes of this article or appro-
34 priate for the effective administration of this article.

35 § 3. This act shall take effect on the ninetieth day after it shall
36 have become a law.