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ACLU OF RI POSITION: AMEND

TESTIMONY ON 24-H 7718, AN ACT RELATING TO INSURANCE – CASUALTY INSURANCE RATING March 14, 2024

As a particularly insidious form of data gathering, we appreciate that this legislation is paying attention to the critical issue of telematics data collection for purposes of car insurance rates. In just the past few days, *The New York Times* published an article¹ describing the surreptitious increase in the use of telematics data for this purpose, and how this data is often collected without clear disclosure to consumers by either the car or insurance companies. The end result is that drivers are utilizing car features that they do not realize are collecting detailed data on their driving habits and sharing it with insurers. These drivers then suffer from increased insurance rates based on data analyzing such vague factors as their braking habits. It is clear – as is the case with a wide spectrum of technological issues – that this type of data collection deserves strict regulation and legislative action. However, in order to accomplish that goal, we believe that this legislation needs to be strengthened in order to truly ensure there is an understanding on the part of the driver if and when this data is being collected.

It is important to stress that not all forms of consent are created equal. As we all have experienced, it is not uncommon for consumers to be presented with a 200-page Terms and Conditions document that they sign (or check off online) instinctively, whether it be because of its length, its legalese, or their need for the product regardless of what they're giving up in the process. However, this is no excuse for companies to deliberately obfuscate the fact that the product they are providing is not only collecting more data than the consumer is truly aware of, but that this data may financially impact them. This concern is compounded when, as the article from *The New York Times* describes, the enrollment process for the motor vehicle apps that do share data do not necessarily include a “warning or prominent disclosure that any third party would get access to [...] driving data.”

This bill is a helpful beginning of a conversation around legislating this important issue. But we believe legislation addressing this topic needs to be much more explicit in order to meet its admirable goals of transparency and protecting the rights of consumers. For example, though the bill requires consent for collecting telematics data, there are no strict requirements for what that consent process looks like, or that it be truly informed consent, or that the consent process *even be opt-in*.

For these reasons, we urge amendment to this bill to ensure consent to share this motor vehicle data with third parties is informed and meaningful. Thank you for your consideration.

¹ <https://www.nytimes.com/2024/03/11/technology/carmakers-driver-tracking-insurance.html>