

HOUSE RESEARCH

Bill Summary

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Overview

This bill deals with auto glass repairs covered by automobile insurance. It changes the method of determining how much insurers have to pay glass shops. It also limits rebates and other incentives offered by glass shops to \$35.

- 1 **Standards for automobile insurance claims handling, settlement offers, and agreements.** Eliminates current requirement that insurers pay "all reasonable costs" of auto glass repairs performed by the insured's choice of vendor. Provides instead that, when an insurer disputes a charge by a glass shop, the insurer must pay the "average cost of repair." Provides that this average cost is obtained by averaging three estimates obtained by the insurer from glass shops able to do the job promptly and in compliance with industry standards. Only one of the estimates may be from a glass shop with which the insurer has a contractual or preferred vendor relationship. The three estimates must be from glass shops within the insured's county of residence. If there are fewer than three such glass shops in that county, requires the insurer to get the necessary additional estimates from shops within 50 miles of the insured's residence.
- 2 **Auto glass repair or replacement.** Prohibits rebates or other incentives paid to insureds by auto glass shops, except for ones that have a value of \$35 or less. Requires any such incentive to be given within seven days after completion of the work and requires that redeemable cash values not exceed 50% of the retail value of the item. Provides enforcement authority to the attorney general.
- 3 **Effective date.** Provides July 1, 2000 effective date.