

Independent Glass Association (IGA) Proposed Amendments to North Carolina HB 356 - Motor Vehicle Glass Act Language

Purpose of Amendments

The Independent Glass Association respectfully submits the following proposed amendments to House Bill 356, specifically the motor vehicle glass language contained in the bill.

IGA supports legitimate consumer protection, honest disclosure, proper ADAS calibration communication, fair repair standards, and accountability in the motor vehicle glass claims process. However, HB 356, as currently written, follows the same NCOIL-style motor vehicle glass framework that has appeared in other states and creates an imbalance by placing significant restrictions on independent glass repair facilities while failing to meaningfully regulate insurer, third-party administrator, network, and affiliated-provider conduct.

The amendments proposed below are intended to correct that imbalance.

At a minimum, HB 356 should be amended to:

1. Preserve consumer choice.
2. Protect lawful post-loss assignment and payment rights.
3. Prevent insurer, TPA, network, and affiliated-provider steering.
4. Require disclosure of claim-handling and repair-provider conflicts of interest.
5. Apply accountability equally to all parties involved in the claim process.
6. Preserve fair payment and dispute rights.
7. Strengthen enforcement and remedies.
8. Protect ADAS calibration transparency without using it as a pretext for claim control.

Proposed Amendment 1: Preserve Lawful Assignment of Benefits

Problem: HB 356 restricts or prohibits post-loss assignment of benefits in a manner that limits the tools consumers and their chosen repair facilities may use to address underpayment, delayed payment, or unfair claim handling.

A lawful, voluntary post-loss Assignment of Benefits can help a consumer obtain service from the repair facility of their choice without being forced to personally pursue the insurer for payment disputes. Removing or restricting that right gives insurers and claim administrators more control while reducing consumer and shop remedies.

Proposed Amendment:

HB 356 should be amended to preserve the consumer's ability to voluntarily execute a post-loss Assignment of Benefits after a covered loss has occurred.

Suggested language:

Nothing in this Article shall prohibit an insured, claimant, or policyholder from voluntarily assigning post-loss rights or benefits under an insurance policy to a motor vehicle glass repair facility for services actually performed or to be performed, provided that the assignment is in writing, limited to the specific motor vehicle glass claim, and executed after the covered loss has occurred.

Rationale: This amendment preserves consumer choice and allows the consumer's selected repair facility to assist with payment disputes without creating a broad pre-loss transfer of policy rights.

Proposed Amendment 2: Protect Directed Payment and Fair Collection Rights

Problem: If HB 356 permits only directed payment but restricts assignment rights, insurers may still underpay or delay payment without giving the repair facility a practical way to challenge the claim decision. Directed payment alone is not an adequate substitute for enforceable payment rights.

Proposed Amendment:

HB 356 should make clear that a consumer may authorize direct payment to the chosen repair facility and that the repair facility may pursue unpaid reasonable and customary charges when authorized by the consumer.

Suggested language:

An insured or claimant may authorize an insurer to issue payment directly to the motor vehicle glass repair facility selected by the insured or claimant. Such authorization shall not limit the repair facility's right, when authorized by the insured or claimant, to seek payment of reasonable and customary charges for covered services performed.

Rationale: This protects consumers from being placed in the middle of payment disputes and helps ensure that insurers cannot use procedural limitations to avoid fair payment.

Proposed Amendment 3: Remove Claim-Control Barriers Before a Shop Can Assist a Consumer

Problem: HB 356 contains language that may prevent a glass repair facility from contracting with or fully assisting a consumer until a claim or referral number is issued.

This creates a practical advantage for insurer-controlled or TPA-controlled claim channels and can force consumers deeper into the network process before their chosen independent shop can fully assist them.

Proposed Amendment

HB 356 should be amended to clarify that a consumer may contact, select, authorize, and contract with the repair facility of their choice before or after filing a claim.

Suggested language:

Nothing in this Article shall prohibit an insured or claimant from contacting, selecting, authorizing, or entering into an agreement with a motor vehicle glass repair facility of their choice before, during, or after the filing of an insurance claim. No insurer, third-party administrator, network, adjuster, producer, or person acting on behalf of an insurer shall require the insured or claimant to obtain a claim number, referral number, network authorization, or insurer approval before selecting a repair facility.

Rationale: This prevents the claim process from being used to control the consumer's repair decision before the consumer's chosen shop can provide assistance.

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Proposed Amendment 4: Strengthen Consumer Right-to-Choose Protections

Problem: HB 356 includes right-to-choose language, but it does not go far enough to prevent steering, pressure, delay tactics, warranty threats, or cost-related statements that influence consumers away from their chosen shop.

Proposed Amendment

HB 356 should include direct anti-steering language.

Suggested language:

An insurer, third-party administrator, network, adjuster, producer, or any person acting on behalf of an insurer shall not require, coerce, pressure, mislead, delay, or financially influence an insured or claimant to use a particular motor vehicle glass repair facility.

Prohibited conduct includes, but is not limited to, any statement or implication that:

1. The insured or claimant must use a preferred, network, affiliated, or insurer-approved repair facility to receive policy benefits.
2. The claim will be delayed, denied, or handled less favorably if the insured or claimant chooses a non-network repair facility.
3. The insurer will not warranty, stand behind, or pay for work performed by the consumer's chosen repair facility solely because the facility is not in the insurer's network.
4. The insured or claimant will incur additional out-of-pocket costs solely because the insured or claimant selected a non-network repair facility, unless the statement is based on a specific written policy provision and an individualized claim determination.
5. A particular repair facility is required, approved, guaranteed, or recommended without disclosing any ownership, affiliation, network, or financial relationship.

Rationale: Consumers should not be discouraged from using their chosen qualified repair facility through fear, confusion, delay, or selective claim information.

Proposed Amendment 5: Require Disclosure of Conflicts of Interest

Problem: The motor vehicle glass claims process often involves insurers, third-party administrators, networks, and repair providers that may have ownership, affiliation, referral, or financial relationships.

Consumers deserve to know when the entity handling the claim, operating the network, or making a shop recommendation has a financial interest in where the repair is performed.

Proposed Amendment:

HB 356 should require conflict-of-interest disclosure before any shop recommendation or referral.

Suggested language:

Before recommending, referring, directing, scheduling, or transferring an insured or claimant to a motor vehicle glass repair facility, an insurer, third-party administrator, network, adjuster, producer, or person acting on behalf of an insurer shall clearly disclose whether the recommended or referred repair facility is owned by, affiliated with, under common ownership with, contractually connected to, or financially beneficial to the insurer, third-party administrator, network, or any entity involved in administering the claim.

The disclosure should be required verbally and in writing when the claim is handled electronically, by phone, by text, by email, or through a web-based claim system.

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Suggested disclosure:

“You have the right to choose any qualified motor vehicle glass repair facility. The repair facility being recommended may have a business, network, ownership, referral, or financial relationship with the company handling your claim. You are not required to use this facility to receive policy benefits.”

Rationale: Transparency is essential to informed consumer choice, especially when claim handling and repair referral functions overlap.

Proposed Amendment 6: Apply Accountability Equally to All Parties

Problem: HB 356 imposes detailed requirements on glass repair facilities but does not apply equivalent accountability to insurers, TPAs, networks, adjusters, producers, or affiliated repair providers involved in the claim and referral process.

Proposed Amendment:

HB 356 should be amended so that prohibited practices and enforcement provisions apply equally to all parties.

Suggested language:

The duties, prohibitions, and enforcement provisions of this Article shall apply to motor vehicle glass repair facilities, insurers, third-party administrators, networks, adjusters, producers, affiliated repair providers, and any person or entity participating in the handling, referral, approval, scheduling, payment, or administration of a motor vehicle glass claim.

Rationale: A law presented as consumer protection should regulate all parties that can influence the consumer, the repair decision, the claim approval, or the payment outcome.

Proposed Amendment 7: Preserve Fair Payment and Dispute Rights

Problem: Independent repair facilities are frequently placed in disputes over short pays, delayed approvals, prevailing rates, calibration charges, OEM procedures, and other necessary repair costs.

HB 356 should not be used to limit a repair facility’s ability to collect reasonable and customary charges or assist the consumer when an insurer refuses to pay the proper amount.

Proposed Amendment

Suggested language:

Nothing in this Article shall limit a motor vehicle glass repair facility’s ability to invoice, collect, or pursue payment for reasonable and customary charges for services actually performed, including parts, labor, materials, mobile service, administrative documentation, pre-scan, post-scan, calibration, recalibration, safety-related procedures, or services required by the vehicle manufacturer or necessary to restore the vehicle glass system to proper condition.

An insurer shall not deny, delay, reduce, or condition payment for covered motor vehicle glass services based solely on whether the repair facility is a member of the insurer’s network or preferred provider program.

Rationale: Payment disputes should be handled on the merits of the repair, the policy, and the documentation, not on network status.

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Proposed Amendment 8: Protect ADAS Calibration Transparency Without Claim Control

Problem: IGA supports proper ADAS calibration disclosure. However, calibration language should not be used to create procedural barriers, direct consumers toward insurer-controlled repair options, or impose duties on independent shops that are not equally applied to affiliated or network providers.

Proposed Amendment

Suggested language:

A motor vehicle glass repair facility shall provide clear disclosure to the consumer when calibration or recalibration of an advanced driver assistance system may be required as part of the repair or replacement. Such disclosure shall not be construed to require the consumer to use any insurer-preferred, network, affiliated, or recommended repair facility.

An insurer, third-party administrator, network, adjuster, producer, or person acting on behalf of an insurer shall not use calibration or recalibration requirements to steer, pressure, delay, or direct an insured or claimant away from the repair facility selected by the insured or claimant.

Rationale: ADAS disclosure is appropriate and important, but it must remain a safety transparency requirement, not a claims-control tool.

Proposed Amendment 9: Require Clear Consumer Notices

Problem: Consumers often do not know their rights during a glass claim and may believe they must use the shop identified by the insurer, TPA, or network.

Proposed Amendment:

HB 356 should require a clear right-to-choose notice before any recommendation, referral, or scheduling action.

Suggested language:

Before making any recommendation, referral, transfer, scheduling offer, or network shop identification, an insurer, third-party administrator, network, adjuster, producer, or person acting on behalf of an insurer shall provide the following notice:

“You have the right to choose any qualified motor vehicle glass repair facility. You are not required to use a preferred, network, affiliated, insurer-approved, or recommended facility to receive benefits under your policy. Your claim cannot be denied solely because you choose your own qualified repair facility.”

Rationale: Consumers cannot exercise choice if they are not clearly told that they have it.

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Proposed Amendment 10: Add Meaningful Enforcement and Remedies

Problem: HB 356 does not provide adequate enforcement tools or remedies for consumers and shops harmed by steering, unfair claim practices, misrepresentation, delayed approvals, or improper payment conduct. Small administrative penalties may be treated as a cost of doing business and may not deter systemic violations.

Proposed Amendment:

Suggested language:

A violation of this Article by an insurer, third-party administrator, network, adjuster, producer, affiliated repair provider, motor vehicle glass repair facility, or any person acting on behalf of such entity shall constitute an unfair or deceptive act or practice and an unfair claims practice.

The Commissioner shall establish a complaint process for insureds, claimants, and motor vehicle glass repair facilities, including written acknowledgment of complaints, investigation timelines, written findings, and corrective action authority.

The Commissioner may order restitution, corrective payment, cease-and-desist relief, and administrative penalties sufficient to deter repeated or systemic violations.

Additional Recommended Penalty Structure

The penalty structure should be increased to reflect the seriousness of claim interference and consumer steering.

Suggested penalty structure:

- First violation: not less than \$2,500.
- Second violation: not less than \$5,000.
- Third or subsequent violation: not less than \$10,000.
- Pattern or practice violations: not less than \$25,000 per affected claim or consumer, plus restitution and corrective action.

Rationale: Meaningful penalties and a real complaint process are necessary to prevent violations from becoming routine business practices.

Proposed Amendment 11: Remove Any Liability Shield or Bar to Private Remedies

Problem: If HB 356 blocks private remedies or limits the ability of harmed parties to seek relief, the law may create rights without practical enforcement.

Proposed Amendment:

Suggested language:

Nothing in this Article shall be construed to limit, impair, or eliminate any right, remedy, claim, defense, or cause of action otherwise available under State law, including claims arising from unfair or deceptive acts or practices, unfair claims handling, breach of contract, assignment, payment dispute, misrepresentation, fraud, or interference with consumer choice.

Rationale: Consumer protection language should not be paired with immunity or liability shields that prevent meaningful accountability.

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Proposed Amendment 12: Require Data-Based Justification for Fraud Claims

Problem: NCOIL-style motor vehicle glass legislation is often justified through broad claims of fraud or abuse. Public policy should be based on verified data, not generalized allegations.

Proposed Amendment:

Suggested language:

No rule, enforcement action, report, or legislative finding under this Article shall rely on generalized allegations of fraud, abuse, or excessive billing unless supported by verified data, documented complaints, adjudicated findings, or other reliable evidence. Any such data shall distinguish between fraud, billing disputes, reasonable payment disputes, network rate disagreements, and consumer-selected non-network repairs.

Rationale: Independent shops should not be subjected to one-sided regulation based on unverified narratives that combine legitimate payment disputes with fraud allegations.

Proposed Amendment 13: Require DOI Reporting to the General Assembly

Problem: If North Carolina creates a new motor vehicle glass regulatory framework, lawmakers should receive data showing whether the law is protecting consumers or simply restricting independent businesses.

Proposed Amendment

Suggested language:

The Commissioner shall submit an annual report to the General Assembly regarding implementation and enforcement of this Article. The report shall include:

1. Number and type of complaints received.
2. Complaints involving steering or consumer choice.
3. Complaints involving insurer, TPA, network, or affiliated-provider conduct.
4. Complaints involving repair facility conduct.
5. Payment dispute complaints.
6. Calibration-related complaints.
7. Enforcement actions taken.
8. Penalties assessed.
9. Restitution or corrective payments ordered.
10. Recommendations for additional consumer choice protections.

Rationale: Legislative oversight is necessary to determine whether the law works as intended and whether all parties are being held accountable.

Summary for Legislators

The Independent Glass Association respectfully requests that HB 356 be amended to:

- Preserve lawful post-loss Assignment of Benefits.
- Protect directed payment and fair collection rights.
- Remove claim-control barriers before a consumer-selected shop can assist the policyholder.
- Strengthen right-to-choose and anti-steering protections.
- Require disclosure of insurer, TPA, network, and affiliated-provider conflicts of interest.
- Apply accountability equally to all parties involved in the claim process.
- Preserve fair payment and dispute rights.
- Protect ADAS calibration transparency without enabling claim steering.
- Require clear consumer notices before referrals or recommendations.

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- Add meaningful enforcement, stronger penalties, and practical remedies.

IGA Position: HB 356 should not advance unless amended to include these protections.

IGA urges the North Carolina Senate Finance Committee not to advance HB 356 in its current form. If the intent of HB 356 is genuine consumer protection, the bill must protect consumers from all forms of pressure, misrepresentation, steering, claim-channel control, and undisclosed conflicts of interest. It must also preserve the rights of consumers and their chosen repair facilities to obtain fair payment and challenge improper claim handling.

North Carolina should not adopt a one-sided NCOIL-style motor vehicle glass bill that restricts independent shops while leaving insurer, TPA, network, and affiliated-provider control largely untouched.

IGA respectfully requests that HB 356 be amended consistent with the proposals above, or that the motor vehicle glass language be removed from the bill.

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