

Independent Glass Association Proposed Amendments to SB 988- California Motor Vehicle Glass Act

Purpose

These amendments are intended to preserve **consumer choice**, prevent **insurer-driven steering**, protect **small independent businesses**, and ensure **public safety**, while still addressing transparency, ADAS disclosures, and legitimate anti-fraud concerns.

The IGA supports reform. However, SB 988 as drafted reflects a **National Council of Insurance Legislators (National Council of Insurance Legislators) template** promoted by Safelite AutoGlass and aligned insurance interests that has failed in multiple states. The amendments below correct those structural flaws.

AMENDMENT 1

Preserve Post-Loss Assignment of Benefits (AOB)

Current Bill:

SB 988 voids all assignments of benefits or rights—pre-loss and post-loss.

IGA Amendment:

✓ Permit **post-loss assignment of payment proceeds** and limited claims-handling authority, while prohibiting pre-loss assignments.

Proposed Concept Language:

“Nothing in this section shall prohibit an insured, after a covered loss has occurred, from assigning the right to receive payment for motor vehicle glass repair or replacement services to a licensed repair facility.”

Rationale:

- Preserves consumer choice
- Allows shops to assist consumers with billing and disputes
- Prevents insurer delay and underpayment tactics
- Targets fraud **without eliminating lawful consumer rights**

AMENDMENT 2

Remove Insurer-First Claim / Referral Number Requirement

Current Bill:

A shop may not contract for service until a claim or referral number is obtained.

IGA Amendment:

✓ Allow consumers to authorize service **before or after** filing a claim
✓ Permit shops to assist with claim reporting **with the consumer's consent**

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Proposed Concept Language:

“A consumer’s authorization to repair or replace motor vehicle glass shall not be conditioned on obtaining a claim or referral number prior to contracting for service.”

Rationale:

- Prevents de facto steering
- Stops forced insurer/TPA routing
- Aligns with consumer-first repair choice
- Avoids anticompetitive funneling into insurer-owned networks

AMENDMENT 3**Add Enforceable Anti-Steering & Anti-Misrepresentation Protections****Current Bill:**

Contains general consumer choice language but no enforcement mechanism.

IGA Amendment:

- ✓ Prohibit misrepresentation by **any party** (insurers, TPAs, networks, shops)
- ✓ Ban false statements regarding:
 - Shop eligibility
 - OEM/ADAS requirements
 - Coverage limitations
 - Required use of a specific provider

Proposed Concept Language:

“No insurer, claims administrator, or representative shall misrepresent a consumer’s right to select a repair facility or imply that use of a specific provider is required.”

Rationale:

- Makes consumer choice real, not theoretical
- Applies standards equally to insurers and shops
- Aligns with ongoing federal antitrust scrutiny by the Federal Trade Commission and Department of Justice

AMENDMENT 4**Define “Reasonable and Customary” Pricing Transparently****Current Bill:**

Imposes a pricing ceiling with no defined methodology.

IGA Amendment:

- ✓ Require objective, transparent benchmarks
- ✓ Prohibit sole reliance on insurer or network rates
- ✓ Account for regional cost variation and OEM requirements

Proposed Concept Language:

“Reasonable and customary charges shall be determined using multiple independent data sources reflective of the geographic market and shall not be based solely on insurer-affiliated or network rates.”

Rationale:

- Prevents artificial price suppression
- Protects repair quality and safety
- Reflects California's diverse cost landscape

AMENDMENT 5**Maintain and Strengthen ADAS Safety Provisions (With Balance)****Current Bill:**

Includes ADAS disclosure and calibration outcome requirements.

IGA Amendment:

- ✓ Retain ADAS disclosures
- ✓ Clarify OEM-based calibration standards
- ✓ Prohibit insurers from discouraging required calibration

Proposed Concept Language:

"No insurer or representative may discourage or deny payment for OEM-required calibration procedures."

Rationale:

- Improves roadway safety
- Prevents cost-driven safety shortcuts
- Aligns with OEM and manufacturer guidance

AMENDMENT 6**Balanced Enforcement and Accountability****Current Bill:**

No private right of action; penalties section incomplete.

IGA Amendment:

- ✓ Establish administrative penalties applicable to **all parties**
- ✓ Authorize regulator enforcement for steering and misrepresentation
- ✓ Do not create insurer-only safe harbors

Rationale:

- Ensures compliance
- Treats all market participants equally
- Avoids one-sided enforcement against shops only

IGA POSITION SUMMARY

- SB 988 **can be improved**
- Without these amendments, the bill:
 - Reduces consumer choice
 - Increases steering risk
 - Consolidates market control
 - Conflicts with federal antitrust concerns

- With these amendments, SB 988 can:
 - Protect consumers
 - Improve safety
 - Support a fair, competitive auto glass market

IGA Position: ➔ Oppose SB 988 unless amended as outlined above