

South Carolina Auto Glass Reform Act – Key Talking Points

Proposed §38-57-75 – Vehicle Glass Repair Procedures

Purpose

Modernizes South Carolina’s auto glass laws to protect **consumer choice, safety, and fair competition**. Closes loopholes that allow **steering, unfair reimbursement, and misleading insurer/TPA practices**.

The Problem

- Third-party administrators (TPAs) like **Safelite Group** dominate the claims process, funneling work to their own facilities.
- Consumers are misled, independent shops are underpaid, and safety is compromised.
- Current law lacks enforcement power and allows vertically integrated TPAs to escape oversight.

Key Reforms in the Bill

1. Consumer Choice & Anti-Steering Protections

- Prohibits both direct and indirect steering.
- Requires clear disclosure of ownership or financial affiliations.
- Mandates that all known independent shops be listed from public registries (AGSC, IGA, Secretary of State).

2. Transparency in Claims Handling

- Claim handler must disclose whether they are the insurer or a TPA.
- Consumers informed of their right to choose any licensed/accredited shop.

3. Fair Reimbursement Standards

- Reimbursement must reflect **prevailing competitive market rates**, not insurer-set prices or NAGS alone.
- Requires transparent methodologies verified by the Department of Insurance (DOI).
- Mandates coverage for **ADAS recalibration** per OEM standards.

4. Safety Through Accreditation

- Only accredited facilities (AGRSS/AGSC/IGA or equivalent) qualify for insurance reimbursement.
- Ensures safe, standardized repairs for every South Carolina driver.

5. Real Enforcement & Accountability

- Minimum **\$10,000 fine** per violation.
- Personal liability for those who knowingly direct violations.
- **Private right of action** for consumers with damages and attorney’s fees.
- Establishes a **DOI Enforcement Fund**, financed by modest annual shop/insurer/TPA compliance fees.

Why It Matters

- **Consumers:** Honest disclosure, safe repairs, true freedom of choice.
- **Independent Shops:** Fair pay, level playing field, no more steering.
- **Insurers/TPAs:** Clear, consistent rules that prevent market abuse.
- **Regulators:** Dedicated funding and authority to enforce compliance.

Context & Leadership

- Reflects improvements to the **2025 NCOIL Model Act**, addressing its weak consumer protections.
- Counters the failed scare tactics used by Safelite in 2012.
- Anticipates similar vertical consolidation by companies like **Driven Brands**.

Bottom Line

“This bill isn’t anti-insurer—it’s pro-consumer, pro-safety, and pro-fairness.

South Carolina can lead the nation in restoring transparency, accountability, and real competition in the auto glass industry.”

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