

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1196

Short Title: Automobile Glass Insurance Coverage. (Public)

Sponsors: Representatives Lewis; Dickson, Goforth, Pate, Frye, Moore, McGee, Gorman, and Lucas.

Referred to: Judiciary III.

April 10, 2003

A BILL TO BE ENTITLED

AN ACT TO REGULATE AUTOMOBILE GLASS REPLACEMENT AND THE INSURANCE COVERING IT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-279.21 is amended by adding a new subsection to read:

"(m) Any policy that provides for the adjustment or settlement of an automobile loss due to damaged window glass shall provide:

(1) That payment to the insured's chosen vendor shall be based on a competitive price that is fair and reasonable within the local industry at large. A specific geographic area actually served shall be considered where facts establish that a different payment rate is required by that market. This subdivision does not prohibit an insurer from recommending a vendor to the insured after the insured is asked if the insured has selected a specific glass vendor to make the repairs or from agreeing with a glass vendor to perform work at an agreed-upon price, provided that before recommending a vendor, the insurer shall also provide the following advisory: 'North Carolina law gives you the right to go to any glass vendor you choose and prohibits me from pressuring you to choose a particular vendor.'

(2) That payment shall not be conditioned on fact that the repair or replacement of motor vehicle glass and related products and services be made in a particular place or shop or by a particular entity, or by otherwise limiting the ability of the insured to select the place, shop, or entity to repair or replace the motor vehicle glass and related products or services.

(3) That there shall be no intimidation, coercion, threat, incentive, or inducement for or against the insured to use a particular company or

1 location to provide the motor vehicle glass repair or replacement
2 services or products. For purposes of this subdivision, a warranty shall
3 not be considered an inducement or incentive."

4 **SECTION 2.** Article 1 of Chapter 75 of the General Statutes is amended by
5 adding a new section to read:

6 **"§ 75-36. Restrictions on automobile glass repair or replacement.**

7 No person, business, or other legal entity doing business in this State that installs,
8 repairs, or replaces automobile glass knowingly shall engage in any of the following
9 acts:

- 10 (1) Offer to finance payment of a customer's deductible on terms different
11 from terms offered to customers not making an insurance claim.
12 (2) Promising or offering to provide any credit, incentive, gift, rebate, or
13 special financing arrangement in satisfaction of all or part of an
14 insurance deductible or co-payment owed by an insured under a policy
15 of insurance.
16 (3) Advertise, promote, or represent by any media, telemarketers, or
17 others, that services are 'free' if in fact an insurer will pay for the
18 service or advertise or make offers for the purpose of soliciting a claim
19 against a property or casualty insurer.
20 (4) Engage in offering to defer collection of, discount, or issue a
21 repayment of a customer's deductible based in whole or in part on the
22 availability of insurance coverage.

23 (b) A violation of this section shall be considered an unfair trade practice, as
24 prohibited by G.S. 75-1.1.

25 (c) Any person who suffers an economic loss as a result of the violation of this
26 section may bring an action to recover damages in the General Court of Justice. Actions
27 brought pursuant to this section shall be tried in the county where the violation occurred
28 or in any county where the defendant resides or conducts, transacts, or has transacted
29 business."

30 **SECTION 3.** This act is effective when it becomes law.