

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

HOUSE BILL 2500

AN ACT

AMENDING SECTION 20-463.01, ARIZONA REVISED STATUTES; RELATING TO AUTO GLASS REPAIR UNLAWFUL PRACTICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 20-463.01, Arizona Revised Statutes, is amended to
3 read:
4 20-463.01. Unlawful practices; auto glass repair;
5 policyholders; insurers
6 A. It is an unlawful practice for a person who sells or repairs auto
7 glass, AN AUTO GLASS REPAIR OR REPLACEMENT FACILITY OR ANY AGENT, CONTRACTOR,
8 VENDOR, REPRESENTATIVE OR ANYONE ACTING ON BEHALF OF THE PERSON OR FACILITY
9 to knowingly:
10 1. Submit a false claim to an insurer for auto glass repair or
11 replacement or for related services:
12 (a) If the services were not provided.
13 (b) Showing work performed in a geographical area that in fact was not
14 the location where the services were provided and that results in a higher
15 payment than would otherwise be paid to the person by the policyholder's
16 insurer.
17 (c) Not authorized in writing by the owner or lessee of the vehicle.
18 (d) Showing work performed on a date other than the date the work was
19 actually performed and resulting in a change of insurance coverage status.
20 2. Advise a policyholder to falsify the date of damage to the auto
21 glass that results in a change of insurance coverage for repair or
22 replacement of the auto glass.
23 3. Falsely sign on behalf of a policyholder or another person a work
24 order, insurance assignment form or other related form in order to submit a
25 claim to an insurer for auto glass repair or replacement or for related
26 services.
27 4. Misrepresent to a policyholder or other person:
28 (a) The price of the proposed repairs or replacement being billed to
29 the policyholder's insurer.
30 (b) That the insurer has approved the repairs or replacement unless
31 the auto glass repair or replacement facility has verified coverage ~~or~~ AND
32 obtained authorization directly from the insurance company or any other third
33 party administrator contracted with the insurance company and the evidence
34 has been confirmed by fax, e-mail or other written and recorded
35 communication.
36 5. Represent to a policyholder or other person WHAT AUTO GLASS
37 COVERAGE IS AVAILABLE UNDER THE INSURANCE POLICY OR that the repair or
38 replacement will be paid for entirely by the policyholder's insurer and at no
39 cost to the policyholder unless the insurance coverage has been verified by a
40 person who is employed by or is a producer contracted with the policyholder's
41 insurer or is a third party administrator contracted with the insurer.
42 6. Add to the damage of auto glass before repair in order to increase
43 the scope of repair or replacement or encourage a policyholder or other
44 person to add to the damage of auto glass before repair.
45 7. Perform work clearly and substantially beyond the level of work
46 necessary to repair or replace the auto glass to put the vehicle back into a

1 safe pre-damaged condition in accordance with accepted or approved reasonable
2 and customary glass repair or replacement techniques.

3 8. THREATEN, COERCE OR INTIMIDATE A POLICYHOLDER FOR THE PURPOSE OF
4 INDUCING THE POLICYHOLDER TO FILE A CLAIM FOR AUTO GLASS REPAIR OR
5 REPLACEMENT.

6 9. INDUCE A POLICYHOLDER TO FILE AN AUTO GLASS REPLACEMENT CLAIM IF
7 THE DAMAGE TO THE AUTO GLASS IS INSUFFICIENT TO WARRANT AUTO GLASS
8 REPLACEMENT ACCORDING TO THE AUTO GLASS REPLACEMENT SAFETY STANDARD AS
9 APPROVED BY THE AMERICAN NATIONAL STANDARDS INSTITUTE.

10 10. INDUCE A POLICYHOLDER TO FILE AN AUTO GLASS REPAIR CLAIM IF THE
11 DAMAGE TO THE AUTO GLASS IS INSUFFICIENT TO WARRANT AUTO GLASS REPAIR
12 ACCORDING TO THE REPAIR OF LAMINATED AUTOMOTIVE GLASS STANDARD AS APPROVED BY
13 THE AMERICAN NATIONAL STANDARDS INSTITUTE.

14 11. WAIVE OR OFFER TO WAIVE THE POLICYHOLDER'S DEDUCTIBLE OR OFFER A
15 REBATE, GIFT, GIFT CARD, CASH OR COUPON WITH AN AGGREGATE VALUE OF MORE THAN
16 TWENTY-FIVE DOLLARS FOR A REFERRAL OF A POLICYHOLDER TO THE AUTO GLASS REPAIR
17 FACILITY IN CONNECTION WITH AN AUTO GLASS REPAIR OR REPLACEMENT CLAIM UNDER
18 AN INSURANCE POLICY.

19 12. WAIVE OR OFFER TO WAIVE THE POLICYHOLDER'S DEDUCTIBLE OR OFFER A
20 REBATE, GIFT, GIFT CARD, CASH OR COUPON WITH AN AGGREGATE VALUE OF MORE THAN
21 TWENTY-FIVE DOLLARS TO ANY PERSON IN ORDER TO INDUCE THE POLICYHOLDER TO FILE
22 AN AUTO GLASS REPAIR OR REPLACEMENT CLAIM UNDER AN INSURANCE POLICY.

23 13. MISREPRESENT THE VALUE OF THE REBATE, GIFT, GIFT CARD, CASH OFFER
24 OR COUPON TO ANY PERSON IN CONJUNCTION WITH AN AUTO GLASS REPAIR OR
25 REPLACEMENT CLAIM UNDER AN INSURANCE POLICY.

26 14. REPRESENT VERBALLY, ELECTRONICALLY OR IN ANY OTHER WAY, INCLUDING
27 AN ADVERTISEMENT OR WEBSITE OR ANY MARKETING MATERIALS, THAT A CLAIM FOR AUTO
28 GLASS REPAIR OR REPLACEMENT UNDER AN INSURANCE POLICY IS FREE WITHOUT
29 DISCLOSING THAT A DEDUCTIBLE MAY APPLY TO THE POLICYHOLDER OR THAT THE
30 POLICYHOLDER'S INSURER MAY BE CHARGED IN CONJUNCTION WITH THE AUTO GLASS
31 REPAIR OR REPLACEMENT SERVICES.

32 15. PERFORM AUTO GLASS REPAIR OR REPLACEMENT SERVICES IN THIS STATE
33 WITHOUT OBTAINING A TRANSACTION PRIVILEGE TAX LICENSE NUMBER ISSUED BY THE
34 DEPARTMENT OF REVENUE PURSUANT TO SECTION 42-5005.

35 16. IF THE PERSON REPAIRING OR REPLACING THE AUTO GLASS DOES NOT
36 ACCEPT THE INSURER'S PRICE, FAIL TO PROVIDE A WRITTEN ESTIMATE TO THE
37 POLICYHOLDER BEFORE THE WORK BEGINS THAT INCLUDES ALL OF THE FOLLOWING:

38 (a) A STATEMENT WHETHER THE PERSON REPAIRING OR REPLACING THE AUTO
39 GLASS DOES NOT ACCEPT THE INSURER'S PRICE FOR PARTS, KITS AND LABOR.

40 (b) THE ACTUAL PRICE THAT WILL BE CHARGED FOR THAT WORK AND THE
41 DIFFERENCE BETWEEN THAT PRICE AND THE INSURER'S PRICE.

42 (c) A STATEMENT THAT THE POLICYHOLDER MAY BE FINANCIALLY RESPONSIBLE
43 TO PAY THE DIFFERENCE BETWEEN THE ACTUAL PRICE THAT WILL BE CHARGED FOR THAT
44 WORK AND THE INSURER'S PRICE.

1 (d) THE SIGNATURE OF THE POLICYHOLDER.
2 (e) THE BUSINESS'S TRANSACTION PRIVILEGE TAX LICENSE NUMBER ISSUED BY
3 THE DEPARTMENT OF REVENUE PURSUANT TO SECTION 42-5005.
4 17. PERFORM AUTO GLASS REPAIR OR REPLACEMENT SERVICES UNDER AN
5 INSURANCE POLICY WITHOUT FIRST OBTAINING THE POLICYHOLDER'S AND INSURER'S
6 APPROVAL FOR THE SPECIFIC WORK TO BE PERFORMED.
7 18. FALSELY TRANSPOSE, DUPLICATE OR SIGN, EITHER ELECTRONICALLY OR IN
8 ANY OTHER FORM, A POLICYHOLDER'S OR OTHER PERSON'S SIGNATURE ONTO A WORK
9 ORDER, INSURANCE ASSIGNMENT FORM OR ANY OTHER RELATED DOCUMENT THAT IS
10 REQUIRED TO AUTHORIZE THE REPAIR OR REPLACEMENT OF AUTO GLASS. FOR THE
11 PURPOSES OF THIS PARAGRAPH, DUPLICATE DOES NOT INCLUDE MAKING COPIES OF A
12 DOCUMENT FOR RECORD RETENTION PURPOSES.
13 19. BILL THE INSURER FOR MORE THAN THE REPAIR OR REPLACEMENT COST
14 AGREED ON WITH THE POLICYHOLDER, A THIRD-PARTY ADMINISTRATOR OF THE INSURER
15 OR AN AGENT REPRESENTING THE INSURER FOR THE WRITTEN ESTIMATE.
16 20. OBTAIN A SIGNATURE FROM A POLICYHOLDER OR OTHER PERSON ON A
17 CONTRACT IF THE WORK UNDER THE CONTRACT IS NOT FULLY COMPLETED AT THE TIME
18 THE POLICYHOLDER OR OTHER PERSON SIGNS OR DOES NOT ACCURATELY REFLECT THE
19 NEGOTIATIONS AND AGREEMENT BETWEEN THE POLICYHOLDER OR OTHER PERSON AND THE
20 AUTO GLASS REPAIR OR REPLACEMENT FACILITY.
21 21. TAKE AN ASSIGNMENT OF ANY CLAIM RELATING TO THE REPAIR OR
22 REPLACEMENT OF AUTO GLASS.
23 B. IF THE PERSON REPAIRING OR REPLACING THE AUTO GLASS FAILS TO
24 PROVIDE THE STATEMENT REQUIRED IN SUBSECTION A, PARAGRAPH 16, SUBDIVISION (c)
25 OF THIS SECTION IN WRITING TO THE POLICYHOLDER, NEITHER THE POLICYHOLDER OR
26 THE INSURER IS RESPONSIBLE FOR THE PAYMENT OF ANY AMOUNTS IN EXCESS OF THE
27 REPAIR OR REPLACEMENT ESTIMATE NOT EXPRESSLY AUTHORIZED BY THE POLICYHOLDER
28 OR INSURER.
29 ~~B.~~ C. It is unlawful for a person who sells or repairs auto glass to
30 intentionally misrepresent the relationship of the glass repair facility to
31 the policyholder's insurer. For the purposes of determining whether a person
32 intended the misrepresentation, it may be presumed that the person intended
33 the misrepresentation if the person was engaged in a regular and consistent
34 pattern of misrepresentation.
35 D. IT IS UNLAWFUL FOR A PERSON WHO SELLS OR REPAIRS AND REPLACES AUTO
36 GLASS TO FAIL TO MAKE THE VEHICLE AVAILABLE FOR INSPECTION AT THE REQUEST OF
37 THE INSURER BEFORE PERFORMING AUTO GLASS REPAIR AND REPLACEMENT SERVICES ON
38 AN INSURED VEHICLE.
39 ~~C.~~ E. A violation of this section is subject to enforcement under
40 this article.
41 ~~D.~~ F. For the purposes of determining whether a defendant knew of any
42 particular element of the prohibited activity, it may be presumed that the
43 person had knowledge if the person was engaged in a regular and consistent
44 pattern of the prohibited activity.