

REFERENCE TITLE: **unlawful practices; auto glass**

State of Arizona
Senate
Fiftieth Legislature
Second Regular Session
2012

SB 1331

Introduced by
Senator McComish; Representatives Robson: Dial

AN ACT

AMENDING SECTION 20-463.01, ARIZONA REVISED STATUTES; RELATING TO 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; third party
6 administrators

7 A. It is an unlawful practice for a person who sells or repairs auto
8 glass to knowingly:

9 1. Submit a false claim to an insurer for auto glass repair or
10 replacement or for related services:

11 (a) If the services were not provided.

12 (b) Showing work performed in a geographical area that in fact was not
13 the location where the services were provided and that results in a higher
14 payment than would otherwise be paid to the person by the policyholder's
15 insurer.

16 (c) Not authorized in writing by the owner or lessee of the vehicle.

17 (d) Showing work performed on a date other than the date the work was
18 actually performed and resulting in a change of insurance coverage status.

19 2. Advise a policyholder to falsify the date of damage to the auto
20 glass that results in a change of insurance coverage for repair or
21 replacement of the auto glass.

22 3. Falsely sign on behalf of a policyholder or another person a work
23 order, insurance assignment form or other related form in order to submit a
24 claim to an insurer for auto glass repair or replacement or for related
25 services.

26 4. Misrepresent to a policyholder or other person:

27 (a) The price of the proposed repairs or replacement being billed to
28 the policyholder's insurer.

29 (b) That the insurer has approved the repairs or replacement unless
30 the auto glass repair or replacement facility has verified coverage or
31 obtained authorization directly from the insurance company or any other third
32 party administrator contracted with the insurance company and the evidence
33 has been confirmed by fax, e-mail or other written and recorded
34 communication.

35 5. Represent to a policyholder or other person that the repair or
36 replacement will be paid for entirely by the policyholder's insurer and at no
37 cost to the policyholder unless the insurance coverage has been verified by a
38 person who is employed by or is a producer contracted with the policyholder's
39 insurer or is a third party administrator contracted with the insurer.

40 6. Add to the damage of auto glass before repair in order to increase
41 the scope of repair or replacement or encourage a policyholder or other
42 person to add to the damage of auto glass before repair.

1 7. Perform work clearly and substantially beyond the level of work
2 necessary to repair or replace the auto glass to put the vehicle back into a
3 safe pre-damaged condition in accordance with accepted or approved reasonable
4 and customary glass repair or replacement techniques.

5 B. It is unlawful for a person who sells or repairs auto glass to
6 intentionally misrepresent the relationship of the glass repair facility to
7 the policyholder's insurer. For the purposes of determining whether a person
8 intended the misrepresentation, it may be presumed that the person intended
9 the misrepresentation if the person was engaged in a regular and consistent
10 pattern of misrepresentation.

11 C. IT IS AN UNLAWFUL PRACTICE FOR AN AUTO GLASS REPAIR BUSINESS THAT
12 IS ACTIVELY ENGAGED IN THE REPAIR OF AUTO GLASS, OR A PERSON OR ENTITY WITH
13 AT LEAST A TEN PER CENT OWNERSHIP INTEREST IN THAT BUSINESS, AND THAT ACTS AS
14 A THIRD PARTY ADMINISTRATOR OF INSURANCE CLAIMS MADE PURSUANT TO INSURANCE
15 COVERAGE FOR AUTO GLASS REPAIR TO EITHER:

16 1. REFER OR STEER, OR CAUSE TO BE REFERRED OR STEERED, AN INSURED'S
17 AUTO GLASS REPAIR BUSINESS TO ITSELF.

18 2. USE CONSUMER INFORMATION OBTAINED IN THE PROCESS OF ACTING IN THAT
19 DUAL CAPACITY TO SOLICIT AUTO GLASS REPAIR BUSINESS.

20 ~~C.~~ D. A violation of this section is subject to enforcement under
21 this article.

22 ~~D.~~ E. For the purposes of determining whether a defendant knew of any
23 particular element of the prohibited activity, it may be presumed that the
24 person had knowledge if the person was engaged in a regular and consistent
25 pattern of the prohibited activity.