

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**HOUSE DRH45005-LK-159 (4/4)**

Short Title: Automobile Glass Insurance Coverage. (Public)

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Sponsors: Representative McHenry.

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Referred to:

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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.

1           (3) That there shall be no intimidation, coercion, threat, incentive, or  
2 inducement for or against the insured to use a particular company or  
3 location to provide the motor vehicle glass repair or replacement  
4 services or products. For purposes of this subdivision, a warranty shall  
5 not be considered an inducement or incentive."

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

8 **"§ 75-36. Restrictions on automobile glass repair or replacement.**

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

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

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

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

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