

PROPOSED AMENDMENTS - Washington SB 5871 – Independent Glass Association (IGA)

Purpose of Amendments:

To preserve consumer safety and transparency while ensuring genuine freedom of choice, fair market reimbursement, and balanced regulation of insurers, third-party administrators (TPAs), and repair facilities.

1. Assignment of Benefits / Standing to Resolve Claims

Section 2 – Definitions / Prohibited Contracts

CURRENT LANGUAGE (excerpt):

Any assignment, delegation, or transfer of rights or benefits under an insurance policy covering automobile glass repair or replacement is void and unenforceable.

PROPOSED AMENDMENT (redline):

Any assignment, delegation, or transfer of rights or benefits under an insurance policy covering automobile glass repair or replacement is ~~void and unenforceable~~ **prohibited, except as provided below.**

ADD NEW SUBSECTION:

(X) Notwithstanding the foregoing, a policyholder may execute a **limited post-loss authorization** that:

1. Directs payment to a motor vehicle glass repair facility;
2. Authorizes the facility to communicate with the insurer or its agent regarding the claim; and
3. Grants the facility standing to dispute invoice amounts, supplement denials, or underpayment related solely to the glass repair or replacement performed.

(Y) Such authorization shall not transfer policy ownership, coverage determinations, or extra-contractual rights and shall be revocable by the policyholder at any time.

Rationale: Preserves consumer protection while avoiding unnecessary claim delays and administrative burdens on policyholders.

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IGA INDEPENDENT
GLASS ASSOCIATION

2. Fair and Transparent Reimbursement Standard

Section 5 – Pricing and Charges

CURRENT LANGUAGE (excerpt):

A motor vehicle glass repair facility may not charge more than reasonable and customary fees or costs...

PROPOSED AMENDMENT (redline):

A motor vehicle glass repair facility may not charge more than reasonable and customary fees or costs the prevailing competitive market rate for the geographic area in which the repair is performed.

ADD NEW SUBSECTION:

(X) “Prevailing competitive market rate” means a rate that:

1. Reflects prices charged by independent, unaffiliated repair facilities in the same market;
2. Is not established solely by an insurer, third-party administrator, or affiliated entity; and
3. Is determined using transparent, verifiable data from multiple sources.

(Y) An insurer or third-party administrator may not limit reimbursement based exclusively on a single pricing benchmark, internal schedule, or affiliate-controlled database.

Rationale: Prevents insurer-controlled price suppression while allowing legitimate cost controls tied to real market data.

3. Anti-Steering and Conflict-of-Interest Protections

NEW SECTION – Unfair Claims Handling and Steering

ADD NEW SECTION:

(1) An insurer, third-party administrator, or their agent may not:

- a. Misrepresent coverage, claim processing time, warranty implications, or safety outcomes based on the consumer’s choice of repair facility;
- b. Require or pressure a policyholder to use a specific repair facility;
- c. Prioritize or route claims through scripts, algorithms, or automation that favor an affiliated repair facility.

(2) Any recommendation of a motor vehicle glass repair facility must:

- a. Disclose any ownership, financial interest, or affiliation between the insurer, administrator, and the facility; and
- b. Include all known qualified independent repair facilities in the consumer’s geographic service area.

Rationale:

Makes “right to choose” operational and enforceable at first notice of loss (FNOL).

4. Balanced Enforcement and Remedies

Section 6 – Enforcement

CURRENT LANGUAGE (excerpt):

This section does not create a private cause of action.

PROPOSED AMENDMENT (redline):

This section ~~does not create a private cause of action~~ **does not preclude administrative remedies or consumer enforcement as provided below.**

ADD NEW SUBSECTION:

(X) A policyholder may bring a civil action for violations of this chapter limited to:

1. Actual damages;
2. Statutory damages not to exceed \$5,000 per violation; and
3. Reasonable attorney's fees and costs.

(Y) The insurance commissioner shall establish an expedited complaint and investigation process for alleged violations by insurers or third-party administrators.

Rationale: Creates deterrence and accountability without opening unlimited litigation exposure.

5. ADAS Provisions – Clarifying Reimbursement Parity

Section 4 – ADAS Disclosures

ADD NEW SUBSECTION:

(X) When an original equipment manufacturer recommends or requires calibration, an insurer or third-party administrator shall reimburse calibration at the prevailing competitive market rate and may not deny or reduce payment based on network participation or internal pricing guidelines.

Rationale: Aligns safety obligations with payment responsibility.

These amendments preserve SB 5871's safety and transparency goals while ensuring real consumer choice, fair market reimbursement, and balanced accountability for insurers and repair facilities.