

House File 2489 - Introduced

HOUSE FILE 2489
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HF 2112)

A BILL FOR

1 An Act concerning choice of automobile glass replacement or
2 repair facilities under automobile liability insurance
3 policies and requiring a study of automobile glass
4 replacement or repair insurance claims processing
5 procedures.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 516B.4 Automobile glass replacement
2 or repair — prohibited activities.

3 1. An insurer transacting business in this state,
4 including its producers and adjusters, that issues or renews
5 an automobile liability policy shall not, individually or with
6 others, directly or indirectly, do any of the following:

7 a. Require that an insured under the policy use a particular
8 company or location for providing automobile glass replacement,
9 glass repair services, or glass products insured, in whole or
10 in part, unless specified under the terms of the policy.

11 b. Engage in any act or practice of intimidation, coercion,
12 or threat for or against an insured to use a particular company
13 or location to provide automobile glass replacement, glass
14 repair services, or glass products insured, in whole or in
15 part, under the terms of the policy.

16 2. This section does not require an insurer to pay more for
17 automobile glass replacement, glass repair services, or glass
18 products than the price that is reasonable within the market
19 of the local area where the replacement or repair is being
20 performed.

21 3. This section does not prohibit an insurer from agreeing
22 to pay the full cost of glass replacement or repair, less any
23 deductible under the terms of the policy.

24 Sec. 2. AUTOMOBILE GLASS REPLACEMENT OR REPAIR INSURANCE
25 CLAIMS PROCESSING — STUDY. The commissioner of insurance,
26 in conjunction with the attorney general, the Iowa insurance
27 institute, the independent glass association, the Iowa
28 retail federation, insurers, automobile glass third-party
29 administrators, and any other interested parties, shall conduct
30 a review of automobile glass replacement or repair insurance
31 claims processing procedures and shall submit a report
32 summarizing that review to the general assembly by January 15,
33 2011.

34 EXPLANATION

35 This bill relates to automobile glass repair and replacement

1 under automobile liability policies issued or renewed in this
2 state.

3 New Code section 516B.4 prohibits an automobile liability
4 insurer from requiring an insured to use a particular company
5 or location for providing automobile glass replacement, glass
6 repair services, or glass products pursuant to the policy
7 unless specified under the terms of the policy. An insurer
8 is not required to pay more than the market price for such
9 services.

10 The bill also requires the commissioner of insurance, in
11 conjunction with the attorney general and other specified
12 groups, to conduct a review of automobile glass replacement
13 or repair insurance claims processing procedures in the state
14 and to provide a report summarizing that review to the general
15 assembly by January 15, 2011.