



Forty-ninth Legislature - Second Regular Session

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HOUSE OF REPRESENTATIVES

HB 2463

auto glass repair; fraudulent practices

Sponsors: Representatives McLain, Ash, Seel, et al.

DP	Committee on Banking and Insurance
W/D	Committee on Judiciary
DPA	Caucus and COW
X	As Transmitted to the Governor

HB 2463 institutes a series of unlawful practices for persons providing auto glass services and classifies certain violations as a class 6 felony.

History

Arizona Revised Statutes Title 20, Section 264 requires automobile insurers to provide to their customers with comprehensive coverage the option to have coverage for the glass and plastic used in a motor vehicle's windows and lights included without any impact to their deductible.

Arizona Revised Statutes (A.R.S.) Title 20, Chapter 2, Article 6 covers unfair practices and fraud under the state's insurance statutes. This article covers a number of prohibited acts including unfair trade practices and discriminatory practices. Also covered is fraud, which is classified as a class 6 felony under A.R.S. § 20-466.01.

A class 6 felony is subject to a sentence ranging from six to eighteen months, with a presumptive term of one year.

Under A.R.S. § 20-466.02 the Attorney General (AG), at the request of the Director of the Department of Insurance, may seek an injunction to prevent unlawful acts taking place and recover any monies acquired through those acts. Additionally, the AG may recover a civil penalty of up to \$5,000 for each violation.

Provisions

- ☛ Makes it an unlawful practice for persons selling or repairing auto glass to knowingly:
 - > Submit a false claim to an insurer for auto glass repair, replacement or related services, if:
 - ☛ The services were not provided.
 - ☛ The work was not performed in the geographic location indicated resulting in a higher payment.
 - ☛ It was not authorized, in writing, by owner or lessee of the vehicle.
 - > Advise a policyholder to falsify the date of damage that results in a change of insurance coverage.
 - > Sign falsely a work order, insurance assignment form or other related form in order to submit a claim.
 - > Misrepresent:
 - ☛ The price of the proposed repairs or replacement being billed to the insurer.

