Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 988 (Grayson) – As Amended June 4, 2026

Policy Committee: Judiciary Vote: 12 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes the California Motor Vehicle Glass Act, which imposes consumer-protection requirements on motor vehicle glass repair shops and restricts the assignment of insurance benefits for windshield and advanced driver assistance system (ADAS) calibration claims. The Act is enforced exclusively through civil penalties recovered by public prosecutors; it creates no private right of action.

Specifically, this bill:

1) Prohibits an insured whose policy covers windshield and calibration repair or replacement from assigning, delegating, or transferring their policy duties, rights, or benefits to another person, and makes any such contract entered into on or after January 1, 2027, void and unenforceable.

2) Requires glass repair shops to make specified ADAS disclosures before and after service — whether the vehicle has an ADAS, whether calibration is needed, whether the shop will perform it, and whether any calibration performed was successful.

3) Requires a shop, before contracting for an insurance-paid repair, to confirm the customer has filed a first-party claim and to obtain a claim or referral number, and requires good-faith estimates, itemized invoices, and fees no greater than reasonable and customary.

4) Prohibits shops from offering inducements (gifts, cash, gift cards, and the like) in exchange for directing an insurance claim, and prohibits a series of fraudulent or deceptive claim practices.

5) Makes a violator liable for a civil penalty not to exceed $500 for a first violation and $2,000 for each subsequent violation, recoverable in a civil action brought in the name of the people by a city attorney, county counsel, or the Attorney General.

FISCAL EFFECT:

1) Costs of an unknown, but likely moderate amount (General Fund) to the Department of Justice to the extent the Attorney General pursues civil enforcement actions under the Act; actual costs will depend on whether and how often the Attorney General elects to bring such actions.

2) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially moderate amount to the courts to adjudicate any additional filings. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately $1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately $117.3 million in 2025-26.

COMMENTS:

1) **Purpose**. According to the author, with the rise in glass-related losses and the growing sophistication of vehicle glass, "SB 988 provides a series of commonsense reforms to the auto glass industry governing insurance assignments, repair disclosures, billing practices, and claim solicitation," which the author states will "reduce fraudulent claims, ensure safety, protect consumer choice, and stabilize insurance costs."

2) **Background**. When a windshield on an ADAS-equipped vehicle is replaced, the system's sensors generally must be recalibrated, which raises repair costs substantially relative to non-ADAS vehicles. The bill responds to reported abuse of assignment-of-benefits (AOB) arrangements, in which a repair shop takes assignment of an insured's claim, bills the insurer directly — sometimes at inflated amounts or for calibration work not performed — and litigates disputed amounts, a dynamic that insurers contend drives up premiums. The bill is modeled on the National Council of Insurance Legislators' Motor Vehicle Glass Model Act, versions of which have been enacted in several other states. Existing California law already prohibits insurers from requiring or, except as specified, recommending a particular repair shop and requires insurers to furnish an Auto Body Repair Consumer Bill of Rights.

3) **Support and Opposition**. The bill is supported by insurer and anti-fraud organizations — including the American Property Casualty Insurance Association, the National Association of Mutual Insurance Companies, the National Insurance Crime Bureau, the Personal Insurance Federation of California, and Safelite — who argue it curbs AOB-driven fraud and inflated billing while preserving consumer choice. The Independent Glass Association and several independent auto glass businesses oppose unless amended; they support the ADAS and calibration disclosure requirements but object to the AOB prohibition, the claim-number prerequisite, and what they characterize as restrictions on repair shops without parallel restrictions on insurers and affiliated glass networks.

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