

SENATE THIRD READING  
SB 988 (Grayson)  
As Amended August 19, 2026  
Majority vote

## SUMMARY

Establishes the California Motor Vehicle Glass Act which provides consumer protections regarding the repair or replacement of damaged motor vehicle glass.

### Major Provisions

- 1) Prohibits an insured under a motor vehicle insurance policy that covers windshield and calibration repair or replacement from, either before or after a claimed or covered loss, assigning, delegating, or otherwise transferring, in whole or in part, to any other person the insured's duties under the policy or rights or benefits under the policy.
- 2) Requires a motor vehicle glass repair shop, before providing service to a person for a repair or replacement of damaged motor vehicle glass, to notify the person of whether the motor vehicle has an advanced driver assistance system (ADAS); and, if the vehicle does whether calibration or recalibration is necessary, if the repair shop intends to calibrate, and if the repair shop cannot or does not intend to perform calibration, that the vehicle should be taken to a qualified dealership or specialist who can calibrate the ADAS.
- 3) Requires a motor vehicle repair shop, if the calibration or recalibration of the motor vehicle's ADAS is performed, to provide written notice to the person for whether the recalibration was successful or not, and if not, that the motor vehicle should be taken to a certified dealership or a qualified specialist capable of performing the calibration or recalibration.
- 4) Prohibits a motor vehicle glass repair shop from contracting with a person for repair or replacement of damaged motor vehicle glass that would be paid by a first-party insurance policy until specified conditions are met.
- 5) Requires a motor vehicle glass shop to provide a customer with a good faith estimate of the fees and costs that are anticipated to be charged and not charge more than the reasonable and customary fees and costs.
- 6) Requires a motor vehicle repair shop, upon completion of the repair or replacement of damaged motor vehicle glass, to provide the customer an itemized invoice and, upon payment, a receipt, a notice that states whether the ADAS was successfully or unsuccessfully calibrated or recalibrated, and if not successful calibrated, a notice that the customer should not rely on the ADAS until it has been calibrated.
- 7) Prohibits a motor vehicle glass repair shop, or any other person who is compensated for the solicitation of insurance claims, from offering a rebate, gift, gift card, cash, coupon, fee, prize, bonus, payment, incentive, inducement, or any other thing of value to any insured, insurance provider, or other person in exchange for directing or making a claim under a motor vehicle insurance policy for the repair or replacement of damaged motor vehicle glass.
- 8) Prohibits a motor vehicle glass repair shop from doing any of the following:

- a) Charging higher fees and costs to a person for the repair or replacement of damaged motor vehicle glass than a reasonable price for the repair, replacement, or installation of automotive glass charged by a motor vehicle glass repair shop within a specific geographic area;
- b) Submitting false, misleading, or incomplete documentation or information to an insured or an insured's insurer, including any agent of the insured or insurer, for the repair or replacement of damaged motor vehicle glass;
- c) Indicate that work was performed in a geographical area that was not the geographical area where the work occurred or advise an insured to falsify the date of damage;
- d) Falsely sign a work order or other insurance-related form relating to an insured's claim, or potential claim, for the repair or replacement of damaged motor vehicle glass;
- e) Misrepresent to an insured or the insured's insurer, including any agent of the insured or insurer, the price of the proposed repair or replacement of damaged motor vehicle glass;
- f) State that an insured's insurer has approved the repair or replacement of damaged motor vehicle glass without verifying or obtaining confirmation of coverage.
- g) State that the repair or replacement of damaged motor vehicle glass will be paid for entirely by an insurer and at no cost to the insured unless the coverage has been verified by the insurer or the insurer's agent; and
- h) With respect to an insured's claim, or potential claim, for the repair or replacement of damaged motor vehicle glass, any of the following:
  - i) Damage, or encourage an insured to damage, the motor vehicle in order to increase the scope of the repair or replacement of damaged motor vehicle glass;
  - ii) Perform work that is clearly and substantially beyond the level of work necessary to restore the motor vehicle to a safe predamaged condition in accordance with accepted or approved reasonable and customary techniques for the repair or replacement of damaged motor vehicle glass;
  - iii) Misrepresent the motor vehicle glass repair shop's relationship to an insured or the insurer's agent; and
  - iv) Perform any other act that constitutes fraud or misrepresentation.
- 9) Provides that an insured that makes a first-party claim for the repair or replacement of damaged motor vehicle glass under a motor vehicle insurance policy is not required to use a particular motor vehicle glass repair shop or recalibration facility to receive claim payments or other benefits under the policy. *Clarifies that an insured has the right to select their preferred glass repair shop, including, but not limited to independent shops. Prohibits an insurer, or any person acting on behalf of an insurer, from purposefully misleading, threatening, coercing an insured to use or not use a particular repair shop or facility.*

- 10) Makes a person or entity that violates this bill subject to a civil penalty to be assessed and recovered in a civil action brought in the name of the people of the State of California by a city attorney, county counsel, or the Attorney General.

## COMMENTS

Modern cars are increasingly equipped with advanced driver assistance systems (ADAS). These systems can help to keep not only drivers and their passengers safe, but also pedestrians, cyclists, and other drivers on the road. Vehicles can include forward collision warnings, automatic emergency braking, and adaptive cruise control, among other systems. (*Driver Assistance Technologies*, National Highway Traffic Safety Administration (NHTSA), available at: <https://www.nhtsa.gov/vehicle-safety/driver-assistance-technologies>.) Use of these systems can help warn drivers of an impending crash or even take action to avoid the crash altogether.

Although these systems can help to reduce vehicle accidents, they often lead to higher costs for repairs or maintenance. When a windshield is damaged and requires repair or replacement, the ADAS components need to be recalibrated to ensure the systems function accurately. (*Understanding the Importance of Calibration: What are the Facts?* Auto Glass Safety Council, available at: <https://agsc.org/understanding-the-importance-of-calibration-what-are-the-facts/>.) For older vehicles that do not have any ADAS systems, a windshield replacement, as an example, costs roughly \$300 to \$600. (Austin Morris, *It May Cost More Than You Think to Replace a Windshield*, Kelley Blue Book (Aug. 12, 2025) available at: <https://www.kbb.com/car-advice/it-may-cost-more-than-you-think-to-replace-windshield/>.) However, for newer vehicles with ADAS, the cost to replace a windshield increases to over \$1,000, since a windshield replacement also requires recalibration of ADAS sensors, among other things. (*Ibid.*)

*Assignment of Benefits.* An Assignment of Benefits (AOB) is an agreement between an insurance policyholder and a third-party, whereby the third-party is allowed to act on behalf of the insured, mainly to seek payment for work performed from the insurance company. (*Assignment of Benefits: Consumer Beware*, NAIC (September 13, 2023) available at: <https://content.naic.org/article/consumer-insight-assignment-benefits-consumer-beware>.) An AOB can allow for efficiency in claims processing, since the third-party files the claim and collects payment without involvement by the insured. (*Ibid.*) However, the third-party can demand a higher amount than the insured offers and potentially sue the insurance company—on behalf of the insured—to seek the higher payment. (*Ibid.*)

This bill requires a motor vehicle glass repair shop to notify the customer if their vehicle has an ADAS. If the vehicle does have an ADAS, then the motor vehicle glass repair shop must inform the customer whether the replacement or repair of the vehicle's windshield will then require a calibration or recalibration of the ADAS system, and whether the motor vehicle glass repair shop intends to perform the calibration or recalibration. If the motor vehicle glass repair shop cannot perform that calibration or recalibration, then they must notify the customer that the vehicle should be taken to the vehicle's manufacturer's dealership or a qualified specialist.

If a customer intends to use a first-party insurance policy, the motor vehicle glass repair shop must, before contracting to replace or repair the damaged vehicle glass, receive a claim or referral number for the claim under the vehicle's insurance policy.

Additionally, this bill prohibits an insured customer whose insurance policy covers windshield and calibration repair or replacement, from entering into an AOB with a motor vehicle auto glass

repair shop. Any contract for an AOB entered into on and after January 1, 2027, would be void and unenforceable. Motor vehicle glass repair shops would be prohibited from offering gifts, gift cards, cash, or other incentives to potential customers in exchange for making a claim for repair or replacement of motor vehicle glass, under the customer's motor vehicle insurance policy. Motor vehicle glass repair shops would also be prohibited from specified practices.

The bill clarifies that an insured is not required to use a specific motor vehicle glass repair shop to receive payments under their motor vehicle insurance policy. *An insured may utilize an independent shop, and an insurer may not coerce an insured to use or not use a specific shop.*

The bill seeks to enforce these provisions through the imposition of civil penalties obtained in actions brought by public prosecutors. For the first violation of the bill's provisions, the civil penalty cannot exceed \$500 and for subsequent violations the civil penalty cannot exceed \$2,000. These civil penalties can be enforced by the Attorney General, city attorney, or county counsel. The bill does not create a private right of action.

### **According to the Author**

Across the United States, windshield glass-related losses in comprehensive auto insurance are frequent. An average of 12-14 million claims are filed per year, with glass repair or replacement accounting for nearly 30% of all vehicle claims. Additionally, motor vehicle glass has become increasingly sophisticated, incorporating advanced technologies such as heads-up displays, embedded antennas, rain sensors, and Advanced Driver Assistance Systems (ADAS) components, including cameras and lane-departure sensors. These technological features make glass replacement more complex, requiring special installation and precise calibration to ensure proper functionality. With the rise in glass-related losses and advances in technology, SB 988 provides a series of commonsense reforms to the auto glass industry governing insurance assignments, repair disclosures, billing practices, and claim solicitation. SB 988 would restrict the insured from assigning policy benefits to repair shops, preventing AOB abuse, require shops to provide upfront estimates and itemized invoices, and prohibit the use of inducements to use specific repair shops and protect insureds' right to select their preferred provider. With all these provisions, this bill will reduce fraudulent claims, ensure safety, protect consumer choice, and stabilize insurance costs.

With the rise of claims and the greater cost of repairs, the number of motor vehicle glass repair/replacement services has grown rapidly in recent years. Many shops actively seek new customers through inducements such as gift cards, cash, or discounts. These businesses often rely on a business structure that allows for Assignment of Benefits (AOB) arrangements, allowing the repair shops to bill insurers directly while the consumer has little visibility into the costs, or the services performed. While convenient, this model can lead to poor outcomes for consumers, including inflated claims or overbilling, failure to properly calibrate Advanced Driver Assistance Systems (ADAS), and reduced safety. Existing enforcement under the California Department of Insurance is limited but some cases report vehicles with improperly billed or non-calibrated glass repairs. This practice also lessens consumer choice and transparency, with some insured being led to specific repair shops or being misled about the need for calibration, resulting in vulnerable consumers. Furthermore, increasing overbilled claims can be denied and/or litigated by insurers, contributing to rising premiums. The combination of aggressive marketing, AOB use, and limited oversight increases financial and safety risks, underscoring the need for stronger consumer protections.

**Arguments in Support**

This bill is supported by the National Insurance Crime Bureau (NICB) and Safelite. NICB writes in support:

Current California law allows consumers to sign over their insurance claim rights by assigning those benefits via agreement to a service provider, such as an auto repair shop. This practice has unfortunately become an avenue for abuse by unscrupulous glass repair shops to submit frivolous, inflated, and fraudulent insurance claims. Additionally, NICB has seen unscrupulous glass repair shops charge for services, such as the recalibration of advance driver assistance systems, but without performing the work.

Senate Bill 988 will help stem auto glass repair fraud by restricting the ability to assign benefits; requiring glass repair shops to provide notice to customers justifying advanced driver assistance systems recalibration services; requiring proof of repair; establishing reasonable fees for glass repair and replacement; and prohibiting inducements.

Safelite writes in support:

Motor vehicle glass has become increasingly sophisticated, incorporating advanced technologies such as heads-up displays, embedded antennas, rain sensors, and Advanced Driver Assistance Systems (ADAS) including cameras, lane-departure sensors, and collision mitigation systems. Proper installation and calibration of these systems is essential to ensure both vehicle safety and consumer confidence. However, the growth of Assignment of Benefits (AOB) arrangements, the use of inducements and aggressive marketing practices by some repair shops has introduced significant consumer risk. These practices can result in improper ADAS calibration, unnecessary full glass replacements (rather than repair), inflated claims, overbilling, and reduced transparency. In these instances, consumers have little visibility into the costs or quality of services performed, and their choice of repair provider is often limited or manipulated. Moreover, as erroneous claims are filed, litigation costs increase for insurers only increasing insurance premiums for all Californians.

SB 988 addresses these risks through a series of reforms designed to protect consumers and establish industry best practices. The bill prohibits AOB for glass repair, requires repair shops to disclose whether ADAS calibration is necessary and to provide written confirmation upon completion (and success), mandates good faith estimates and itemized invoices be provided to customers, and eliminates inducements that steer insureds to particular shops. It also ensures that consumers retain meaningful choice in selecting a qualified repair provider. These reforms are consistent with national model legislation adopted by the National Council of Insurance Legislators (NCOIL) and mirror "Safe Glass Act" policies implemented in other states to protect consumers.

**Arguments in Opposition**

The Independent Glass Association (IGA) opposes this bill and writes the following:

SB 988 has repeatedly been justified through allegations of fraud, deceptive practices, improper billing, and other misconduct within the auto glass repair industry.

The IGA does not defend fraud. We do not defend deceptive conduct. Businesses or individuals who knowingly commit fraud should be investigated and prosecuted under applicable California law.

But before California creates additional statutory restrictions affecting an entire industry, there should be credible evidence demonstrating the scope of the problem the legislation is supposedly intended to solve.

To date, we have not seen California-specific data establishing that the alleged conduct constitutes a systemic problem requiring SB 988.

[...]

At a minimum, SB 988 should not advance until proponents provide verifiable California-specific evidence demonstrating:

- 1) The scope and frequency of the conduct the bill seeks to address;
- 2) The financial and consumer impact of that conduct in California;
- 3) Why existing California laws and enforcement mechanisms are insufficient;
- 4) Why the proposed restrictions are appropriately targeted to the demonstrated problem; and
- 5) Why the regulatory and enforcement burdens created by the legislation are justified.

The IGA remains willing to work constructively with Senator Grayson, the Committee, regulators, insurers, consumer representatives, and other stakeholders on evidence-based legislation that protects consumers and addresses documented misconduct without placing legitimate independent businesses at a competitive disadvantage.

However, the amendments discussed to date have not resolved our concerns, and the fundamental factual justification for SB 988 remains unproven.

We respectfully urge the Committee to hold SB 988.

## **FISCAL COMMENTS**

According to the Assembly Appropriations Committee:

- 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.

**VOTES****SENATE FLOOR: 35-0-5**

**YES:** Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener

**ABS, ABST OR NV:** Choi, Jones, Niello, Ochoa Bogh, Valladares

**ASM JUDICIARY: 12-0-0**

**YES:** Kalra, Macedo, Bauer-Kahan, Bryan, Connolly, Dixon, Harabedian, Pacheco, Papan, Sanchez, Stefani, Zbur

**ASM APPROPRIATIONS: 15-0-0**

**YES:** Wicks, Hoover, Arambula, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

**UPDATED**

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