



# Motor Vehicle Glass Fraud

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# Motor Vehicle Glass Overview

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- Unscrupulous glass shops
- Direct customer solicitation to file glass claims
- No deductibles
- Inducements: cash, gift cards, or material gifts
- Assignment of benefits or other contractual mechanisms
- Inflated claims despite little or no damage
- Alleged work on advanced driver assistance systems (ADAS) further increased cost

# Florida: No-Deductible Impact

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- Original Florida Law
  - Allowed rebates for out-of-pocket costs
  - Incentivized frivolous claims
  - Allowed one-way attorneys fees
  - Incentivized lawsuits regardless of merit
- Result: **Sue-to-settle system**
  - 2011: 591 glass lawsuits
  - 2021: lawsuits increased **4,000%** to 28,156
  - January to August 2023: **46,059 lawsuits**

# Florida: Fix the Cracks (2023)

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- Fix the Cracks Coalition
  - Advocacy Organizations (Consumer Protection Coalition, FL Justice Reform Institute, NICB & CAIF)
  - Insurance Industry Trades
  - IAISIU
- Advocacy campaign to close loopholes in statute:
  - Eliminated assignment of benefits
  - Prohibited inducements
  - Glass shop notification requirements for ADAS recalibration

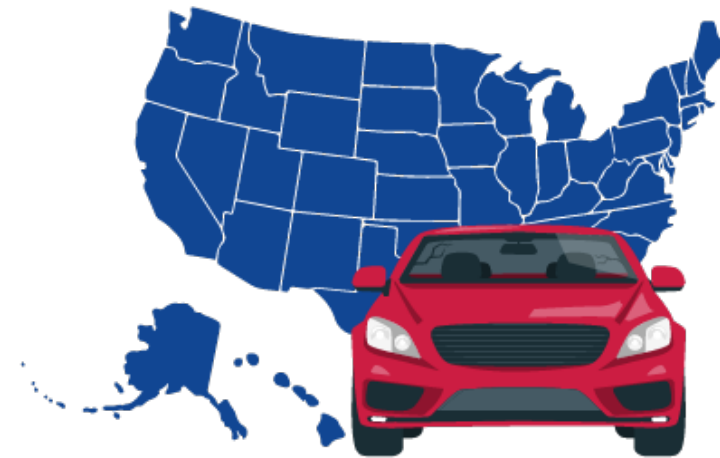


# Post-Florida Outlook

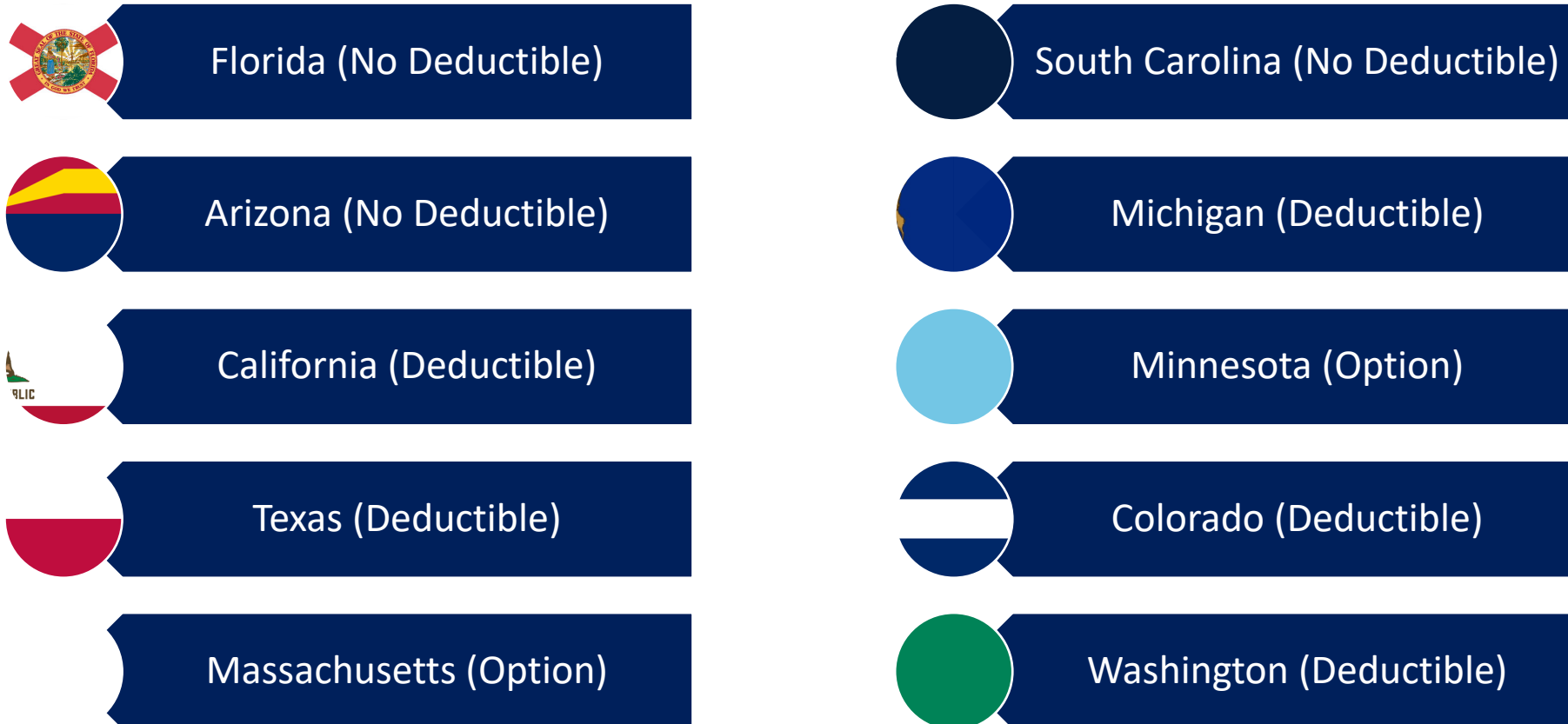
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- Q1 2024 lawsuits filed: **2,714**
- Fraudsters moving to other no-deductible states and others
- Other windshield no-deductible states:
  - Arizona (No Deductible Option)
  - Connecticut (No Deductible Option)
  - Kentucky
  - Massachusetts (No Deductible Option)
  - New York (No Deductible Option)
  - South Carolina

- Fraudsters using same tactics of inducements and submitting inflated claims



# State Rankings for Glass Claims\*



\*Rankings based on total questionable motor vehicle glass insurance claims reported to NICB between 2019 and Q2 2024.

# Motor Vehicle Glass Model Act

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- Based on Kentucky SB 29 (Enacted)
- Input from:
  - Insurance Industry
  - Glass Industry
  - Vehicle Manufacturers
  - Trial Attorneys
- Provisions:
  - Prohibits AOB for P/C Policies
  - Guardrails for ADAS
  - Guardrails around claims practices
  - Prohibited Acts
  - Anti-Steering

# Thank You

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