

## **Glass Chip Repairs – Are they Free?**

### **By Basil Housewright**

Have you ever pulled into the local full service car wash and had an attendant look at your windshield and see a chip in your windshield and tell you, “Would you like me to repair your glass chip for free?” Nothing in life is free. What the attendant is referring to is if your auto insurance company will pay for a glass chip repair with no deductible the glass chip repair will be of no cost to you but it is not free. Your auto insurance company processes a claim and pays for the glass chip repair. The glass chip repair is not only NOT free but may cost you much more in the long run. Many auto insurer’s give auto insurance policy holders discounts if they do not have claims in the previous 3 years and some even give you a larger discount if you have not had a claim in 5 years. So end result could be that at your auto insurance renewal the cost of your auto insurance will go up because you are no longer claim free. And even worse yet the loss of this claims free discount could continue for up to 5 years after you made the glass chip repair claim.

Prior to the mid-90’s it was up to each individual auto insurance company how a glass chip repair would be handled. Many auto insurance company’s would waive your deductible for a glass chip repair if you other-than-collision (sometimes called comprehensive) coverage on your vehicle and the deductible was \$250 or less. The Texas Department of Insurance enacted a rule in the mid-90’s that mandated if an automobile had other-than-collision (sometimes called comprehensive) coverage on a vehicle that the deductible must be waived for a glass chip repair so naturally all insurance companies selling auto insurance in Texas had to comply with this new rule.

Fortunately in 2004 auto and home insurance was somewhat deregulated by the Texas Department of Insurance when they changed the rules to a rate and file system. This meant the insurance company could file their own specific rules and rates and if not challenged by the Texas Department of Insurance it was legal for them to transact their business using these filed rules and rates. This allowed an auto insurance company to now not waive the deductible for glass chip repair. The typical other-than-collision (sometimes called comprehensive) deductible is now \$500 so not only would a chip repair be under the deductible but also most auto window replacements will be under your deductible.

I am asked this question quite often. Think about your vehicle in general. When your car breaks down, do you want to repair it or replace it? Well, it depends on how bad the damage is! It works the same way with your windshield. Getting a new windshield is NOT windshield repair. The auto glass replacement industry has succeeded in confusing the general public by calling both services "repair." Any auto window glass replacement is not a glass repair, which would result in the auto insurance company waiving your deductible.

When I pull my big red pickup into the local car wash with a new chip in my windshield the glass repair guy always says now, “I know you want to pay cash.” I typically get charged \$30 to \$40 and go on my way. The auto glass chip repair claims I review have a typical cost of about \$75. It does take the glass repair company time and effort to process the glass claim so the cost probably needs to be higher than a cash repair. While it may seem like a small \$75 claim should have a very small impact on the cost of auto insurance but the frequency rate that auto insurance companies pay these small glass claims are alarmingly high and it is as costly to process a small glass claim as it is a large claim due to the administrative cost of processing the claim and payment. Our advice is look at your auto and home insurance as a product to take care of large losses. Pay small items like glass chip repairs out-of-pocket. If everyone did this the overall cost of insurance could be lower.

Basil is manager of Texans Insurance & Financial Group, Inc a local Independent Insurance Agency operating in Sugar Land since 1991. He can be reached at (281) 277-7800, Fax (281) 277-7801, E-Mail – basil@texansinsure.com. Visit [www.texansinsure.com](http://www.texansinsure.com). Like us on Facebook & follow us on Twitter @TexansInsurance.