

AUTO INSURANCE FOR YOUNG DRIVERS

As their teenage kids approach driving age, many parents brace themselves to for a whole new situation. Allowing more independence goes hand in hand with exerting less control, safety gets a completely new meaning, and insurance premiums are sure to see a major increase: According to the Insurance Information Institute, an increase of at least 50% to 100% can be expected when a young driver is added to a policy. As a rule of thumb, rate increases are higher for 16-year-old boys than 16-year old girls.

However, there are things a family can do to control costs and chaos:

- Good grades

Students who average a 3.0 or “B” at school can get discounts of up to 20% to 30% on their car insurance.

- No more cars than adult drivers

If a young driver under age 25 drives a family vehicle less than 25% of the time and/or puts less than 25% of the mileage on the car, he or she can be listed as “occasional” rather than “principal” driver – and that saves money.

- A clean record

With younger and older drivers alike, a clean driving record without tickets or accidents keeps insurance premiums low.

- Be conservative

Make and model of a young driver’s car play a big role. A fast, sporty car will be significantly more expensive than a reliable conservative model (and will tempt the driver to test its limits). But don’t compromise on the safety of a car: if you purchase a used vehicle, get a professional vehicle inspection from a mechanic of your trust. The Insurance Institute for Highway Safety provides helpful vehicle safety ratings that will help you choose the right car.

- Delay licensing

Teenagers who are getting ready to start driving may not like the idea of postponing their license, but studies have shown that 18-year olds are safer drivers than 16-year-olds. In addition, insurance rates drop at ages 21 and 25.