

Suggestions for insurance topics

During your “Young Driver Seminar” event, you are the expert when it comes to insurance. The following is a checklist of suggestions for topics you may want to consider covering during your own presentation.

Definitions of insurance terms & types

You will most likely want to cover the basics of auto insurance coverage at the outset. This could include:

- Proof of insurance
- State minimum levels and why to consider higher levels
- Bodily injury liability
- Property damage liability
- Collision
- Comprehensive
- Deductibles
- Underinsured and uninsured motorist coverage
- Personal injury protection (PIP)
- Umbrella liability policy

Notes such as:

Young drivers are more likely to have accidents, and lowering your liability limits could leave you on the hook for tens of thousands of dollars in expenses if your child does hit another car or injure someone.

If your teen is found negligent in an accident and the damages exceed your insurance limits, you will be held financially responsible and can be sued in court for those amounts not covered by your insurance.

Some insurers will assign the driver who is the most expensive to insure (generally the teenager) to the car that is the most expensive to insure. If possible, assign your teen to the least valuable car.

Some insurers will allow policyholders to do this if the number of automobiles equals or exceeds the number of insured drivers on a policy. With this kind of arrangement there can be no exceptions; your teen must use only the car to which he or she is assigned, even in an emergency.

Virtually every insurer will require that all licensed family members in a household be included on your policy, whether they drive your cars or not. You should let the insurer know when the child gets his learners permit, but typically the teen isn't listed (or your policy charged) until he or she is licensed.

Why teens cost more

New drivers are, statistically, among the most dangerous ones. They receive tickets and have accidents at rates several times the rate of the average driver.

The first years a teenager spends as a driver are especially risky. In fact, motor vehicle crashes are the leading cause of death for those between 15 and 20 years old. In addition, more than half of teen deaths in crashes are passengers. Many of them were not wearing a seatbelt.

The two main factors for high crash rates among teens are immaturity and lack of driving experience.

Teens also engage in unnecessary risky behavior such as eating, talking on phones, texting, interacting with friends in the car and not wear their seatbelts.

Ways to save money

Type of vehicle

Choosing a higher deductible and then setting aside the amount of money necessary to pay that deductible

Most companies require anywhere from three to five years of accident-free driving before a driver can qualify for this discount. However, that doesn't mean you shouldn't be aware of it. Spending the first several behind-the-wheel years driving safely will bring you money saving benefits in the future.

Multiple vehicle auto insurance discounts

Think twice about collision and comprehensive coverage. Yes, teens are more prone to accidents; however, if your teen drives an older model car that isn't financed, it might make more financial sense to skip these optional coverage types.

Enrollment in an approved driver safety course

Annual premiums paid in full

Keeping your driving record free of parking and traffic tickets

Being a good student, taking driver education, and being a low-mileage driver

Limiting the amount of driving your teen does

Some insurers offer discounts for driver-safety programs, cutting costs if the kids take a special class, watch a DVD, or read a driver-safety book and take a test.

Multi-policy discounts: You'll usually get a break on your auto insurance and your homeowners insurance if you keep both policies with the same company. You may get an additional discount if you include an umbrella policy, which provides extra liability coverage beyond your auto-insurance limits and can be particularly valuable when you have a teenage driver.

Type of vehicle

Look for something in the middle of the average lifespan of a car. With a brand new car there are increased costs to repair or replace vehicles. A car that's too old won't have the top safety features, and it will be prone to breakdowns.

"Putting your teen in a big, boring vehicle is going to be a lot easier on the wallet than giving them the zippy small car they may want," according to Russ Rader, spokesperson for the Insurance Institute for Highway Safety (IIHS). "If your child will have a car of his or her own, one place to start when looking for

a car is the IIHS's website, which lists insurance losses by make and model for vehicles built prior to 2010. Those vehicles with lower auto insurance losses will typically have lower auto insurance rates, while providing more protection if your teen is in a crash. The site also has a listing of the IIHS's top safety picks for 2011 and older model years."

Look for cars with advanced safety equipment, such as anti-lock brakes, electronic stability control, and air bags. In some cases, safety equipment can get you a discount on your insurance.

You and your teenager should choose a car that is easy to drive and would offer protection in the event of a crash. Avoid small cars and those with high performance images that might encourage speed and recklessness. Trucks and sport utility vehicles (SUVs) should also be avoided, since they are more prone to rollovers.

Good student & other discounts

Many auto insurers offer good-student discounts to teens. This usually means at least a "B" average.

Other discounts could apply if your teen completes a driver's education course.

Bundling multiple insurance policies, like auto, homeowners and life insurance, can also reduce the total cost of insurance.

When your teen is old enough to head off to college, lives more than 100 miles from home and doesn't have a car, you can also save on your auto insurance. Even though the teen isn't a regular driver of the vehicle, they can still drive it when coming home on break.

Additional driver training

Many insurers offer discounts for successfully completing a driver education course, even if it's not a state requirement. Consider taking an additional driver training course. Depending on the insurance company, an additional driver training course could save even more on premium. Also, the extra training brings real benefits as far as safe driving is concerned – reducing the possibility of future accidents.

Electronic monitoring, etc.

A number of insurance companies offer monitoring devices that keep an eye on a teen's driving behavior with discounts for parents and teens who participate in these safe driving programs. This could include any of the following:

- Sending a notification if a teen does something he or she is not supposed to do
- Providing the teen with verbal feedback; or transmitting video of the driving using a two-way camera
- Monitoring certain specified behaviors such as, speeding, seat belt usage, hard braking and cornering, arrival and departure times, or moving the car when it isn't supposed to be moved
- Technology that blocks cell phone calls and text messages when a vehicle is in motion

Graduated Driver's License

Many states have implemented GDL laws. **Be fully familiar with the law in your state.** Even if GDL isn't a law in your state, it can be a law in the home. By introducing a new driver to risks and hazards they face behind the wheel gradually, it can significantly reduce their chance of getting into a motor vehicle crash.

GDL General Description:

Many states have been successful in reducing teen accidents by enacting graduated driver's license (GDL) legislation. These laws, which include a three-phase program, allow teen drivers to develop more mature driving attitudes and gain experience behind the wheel. New drivers are restricted from certain activities, such as late-night driving or having passengers in the car, until they have had their licenses for a set period. A number of states also restrict the amount of time new drivers may be on the road without supervision.

Creating shared expectations

Creating "Shared Expectations Between Teens and Parents for Driving.". Whether still practice driving or driving on their own, every teen and a parent (or other trusted adult) should work together to help them become a safe skilled driver. Here are some tips to get you started from:

http://www.teendriversource.org/more_pages/page/get_behind_national_teen_driver_safety_week_n_tds_w/_teen#sthash.g6noUknY.dpuf

Check the website to obtain current updates.