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Celebrate Life with Safe Driving

www.ipromiseprogram.com

Insuring a new teen driver? Consider this: You don't have to be a millionaire to be sued for millions.

Every year some 4 million teenagers take to the streets across North America and require auto insurance. A parent almost always makes the call to the insurance agent or broker asks, "How do I get the lowest rate for my new teen driver and what coverage does he or she need?"

The *I Promise Program* – teen safe driving initiative, surveyed insurance agents and brokers across North America asking these questions. "These are the folks who sell the insurance, know the statistics and talk to the parents", says Gary Direnfeld, Executive Director of the *I Promise Program* and survey leader. "We thought if we could generate a few replies some general tips might emerge."

Direnfeld was almost overwhelmed by the number of replies, "We not only learned some general tips but more importantly, that these agents and brokers were concerned to keep these young drivers from collisions and to minimize the financial burden to the family in the event of a collision."

As Angie Britton of Love, Douglas & Pope Inc. agency in Alpharetta, GA. put it, "You don't have to be a millionaire to be sued for millions."

Maureen Ross O'Connell of Ross Insurance Agency in Holyoke, MA agrees and adds, "When buying limits you must consider two things - your moral obligation to someone you injure and how much you can afford. Your teen driver's best friend can be killed or seriously injured in an automobile accident as a passenger in her vehicle. If she is responsible for the accident she will feel much better knowing she has adequate limits on her policy to assist the family with expenses."

So, how much insurance do teens need? Insurers generally agree to get as much as you can afford and many recommend anywhere from \$1 million to - \$5 million in liability. Joe Sesto of Sesto Insurance in Santa Maria, CA., reminds us that, "US federal highway statistics indicate that 1 of every 5 16-year old males is involved in an accident in their first year of driving and about 1 of just under 7 female 16-year olds is involved in an accident in their first year of driving nationally. Those are approximately Russian Roulette odds!" So given the likelihood of a claim, make sure you are covered well.

How do you get the best rates? Agents and brokers offer these tips:

1. Attend an approved driving school. Many insurance companies offer a significant discount to teens that have attended and passed approved courses. But remember, first check to make sure the driving school is approved.
2. Maintain at least a "B" average or a 3.0 point grade average in school. Many insurance companies also provide a "Good Student Discount" that can range anywhere from 5% to 20%. So grades do matter!
3. Don't buy your teen a car. But, if you must, purchase a vehicle in good mechanical order, a four-door model and no less than 5 years old so you don't have to add collision insurance to the policy.

4. The higher the deductible, the lower the premium. When insuring on a parent's car and collision insurance is recommended choose the highest deductible possible.
5. To maintain the lowest rates over time, maintain a spotless driving record and pay for any minor damages yourself. Parents are recommended to set limits for teens using the family car, particularly in the first year of driving and some insurers suggest programs like the I Promise Program – www.ipromiseprogram.com, to help them determine rules and maintain accountability. As Rob Siroishka of Sir's Insurance Agency Ltd. in Calgary, Alberta puts it, "Loss prevention = I Promise Program."

Many of the Agents and Brokers who responded suggested that parents let their teen do the shopping around for the insurance policy so they learn the issues and value of insurance. Some insurers in fact require a meeting with the new teen driver before they will actually sell them insurance. Teen drivers are their highest risk category with car crashes as the leading cause of permanent injury and death in teens across North America. An Agent or broker may even refuse to sell you insurance if they deem a teen to be a bad risk.

"We learned that a number of Agents and Brokers feel a moral obligation to meet with the teen to make sure they understand the privilege and responsibility of driving and I would encourage all parents to visit their insurance representative before purchasing a policy," says Direnfeld. "In the end a good agent or broker making a positive impression on your teen, may be the best insurance of all."

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This survey was conducted by the I Promise Program – a teen safe driving initiative that promotes parents as role models by entering into a mutual safe driving contract with their teen. To provide accountability, a rear window decal is then affixed to the vehicle. The decal display a toll free number and the question, "Am I driving safely?" Calls are received by a call center and responses are sent by letter only back to the family. Youth, parents, community members, police and interested stakeholders in traffic safety have participated in developing this program.

To view the entire set of replies by insurance agents and brokers go to the I Promise Program website, enter, and click on the "Survey Reports" button.

See: www.ipromiseprogram.com

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Insurance agents and brokers across North America were asked to respond to this question:

What can parents do to ensure the lowest rate possible when adding their new teen driver to the policy and what coverage would you recommend for the new teen driver?

Here are their answers in their entirety:

1	<p>With respects to the first question...</p> <ol style="list-style-type: none">1. Parents should sit down with their broker and understand the implications of adding an occasional operator. With most companies the occasional operator will be automatically added as an occasional on the highest rated vehicle regardless of what other vehicles are on the policy. However with some companies, an underage operator will be added as a principal operator regardless of the fact that there may be 2 vehicles on the policy and mom/dad drive each to work. An occasional operator is usually limited to driving a vehicle 10% of the time but some companies believe most underage drivers have the possession of the automobile more often. Parents must check to see what is the policy of their insurer.2. Parents should be made aware of the fact that driver training discounts will help especially for the underage male drivers, along with the Promise discount, where offered. The I Promise sticker that goes in the back window of a vehicle tends to make the vehicle conspicuous so the driver tends to drive more cautiously.3. Parents also tend to add a vehicle to their policy so their underage son/daughter doesn't have to pay so much as a principal operator. This is not necessarily so. An operator will be charged the proper rating whether they are on their own policy or under their parents. You must remember that the registered owner of the vehicle is responsible for whatever happens, along with the driver. <p>With respects to the second question...</p> <ol style="list-style-type: none">1. If an underage operator is being added to the parent's policy, there are 2 coverages that I think are basic for parents to understand.<ol style="list-style-type: none">a) A minimum of \$2M liability is a must. Preferably with the addition of an umbrella to increase the liability coverage to \$5M. One reason is underage operators are less experienced and tend to panic in some circumstances. I have seen in my career an underage male operator who made a turn too fast & slid on gravel into oncoming traffic. Yes, it was an accident and that's what you pay insurance for, but due to the circumstances, injuries & death etc, there was a lawsuit with a statement of claim for over \$30M. It has wiped out not only the underage male but also the family.b) If physical damage coverage is requested I make sure that all perils coverage is the option as opposed to collision and comprehensive. Yes, you have flexibility with deductibles under collision and comp and only 1 deductible for all perils BUT, in the event someone in your household (e.g. underage son/daughter "borrows without permission") steals the car and is involved in an accident, there is coverage for the vehicle under the all perils but not under collision and comp.2. If the underage operator buys a vehicle and wants to insure it on dad's
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	<p>policy, the vehicle has to be in dad's name with him as the principal operator. Dad must be aware that he is assuming the risk. If parents are uncomfortable doing this, then have the underage obtain his own insurance, separate from mom/dad and he will be the one responsible. Mom/dad can help him pay for it, but the onus is now on the underage and not his parents.</p> <p>Parents with an underage operator(s) in the family, must know at all times, where the vehicle is, that no one else is allowed to drive it except the underage operator and make all parties aware that each drive affects the other drivers on the policy.</p> <p>If an underage operator doesn't tell his parents of convictions he has accumulated, an insurer may cancel the entire policy, re-rate the policy accordingly thus increasing premium. Vice versa applies too.</p>
2	<p>I like the concept of your program. I have some personal experiences that I can relate to as well, and many of my high school friends were wild and crazy drivers. They never seemed to get stopped by their driving, and the law enforcement couldn't catch them. I am now 23, and most of them have slowed down (except for one). Recently, I was the victim of a young driver that shouldn't have been on the road. He was racing with some other teens going 25+ MPH over the posted speed limit, lost control, went over 4 lanes of traffic and a concrete median and slammed into us. He was driving with a suspended license, and nothing happened to him. He didn't even get charged with the accident! Perhaps if his insurance program would have put more time into helping these drivers instead of just jacking up the rates, maybe his driving wouldn't have caused the accident that hurt my fiancée and I.</p> <p>I feel that the public is so undereducated about insurance. What they do scares me every day! People seem to think that just getting the state-mandated coverage is enough. Why do people that only make a couple of hundred dollars weekly put a \$2,000 deductible on a basic auto policy? They don't understand until it is too late!</p> <p>I think the parents should send their children to different driving schools, and that they should constantly evaluate their driving. Perhaps there are local programs run through local safety councils, law enforcement agencies, and state drivers' licensing bureaus that they could examine? My parents always evaluated my progress as a driver even to this day. They are able to tell how aggressive my driving is just by a quick errand to the store. I have since tamed my driving style, and maturity has brought patience, which I feel is vital to operating any motor vehicle. Most young people I know want to race anywhere and everywhere, just because they can. But I see too many accidents and fatalities come from impatient driving. This could be taught to people of all ages -- just like the guy that weaves in and out of traffic because it will make a 5-minute difference. Five minutes delay is a small penalty to pay for lessening the risk of a fatal collision!! Too many people don't see it these days and think it will NEVER happen to them. It will only be their neighbor or someone they know.</p>
3	<p>As an agent, I encourage parents to consider mid size cars (with air bags) for their son or daughter. If possible, I also encourage having a vehicle be old enough that they can get by with liability only while still being a safe car. Keeping a "B" average or better also makes a significant difference in rates.</p>
4	<p>First is to expect good grades and to enroll in a driver's ed course.... Another is to be very selective regarding the car and the need to avoid the sports type models.... I try to interview each youthful to determine attitudes...Generally we are less likely to write a new case with</p>

	youthful exposure unless we can meet the driver and see a level of responsibility.
5	<p>1. I always advise the parents to not explore the option of a new vehicle in the household if it will force them to add their teenage child to be a primary operator.</p> <p>2. Always encourage the parent to not allow the teenager too much access to the vehicles, as it will increase their risk of an accident especially on the family luxury/sporty vehicle. Limit the child to the older vehicle or minivan. I say this because even the honor student/never been in trouble child will break down under peer pressure to act reckless.</p>
6	<p>1. Making sure they take a driver training course with an MTO approved school</p> <p>2. Once they get the G1 license advise the broker. There is no charge for adding them to the policy at that time. i.e. With our company once they get the G2 license they will automatically be credited with 10% discount as long as no accidents nor convictions and they are already on policy with G1 license. This is for 1 year only.</p> <p>3. If they are attending university 160KM away from home or 100 miles they will be eligible for 50% discount as an occasional driver.</p> <p>4. Make them occasional drivers instead of principal drivers.</p> <p>5. Full coverage is recommended.</p> <p>6. Higher deductible will help with lower premium.</p> <p>7. Encourage them to do the testing for the G license as soon as possible</p>
7	<p>1) Parents being more involved in teaching how to drive. Driving school cannot teach children everything.</p> <p>2) Good students - better grades - study more intensely!</p> <p>3) Teach children to be more observant. Leave the cell phones alone while driving.</p>
8	If you're interested in the "lowest rate" only, then in most cases this would be produced by titleing and registering the vehicle in the parent's name and adding the teen driver's vehicle to the parent's policy. However this may not be the best situation if the teen driver becomes involved in litigation. I usually recommend the teen driver to be insured in their own name with coverages that fit their financial situation. Explain the coverage well, and let them decide.
9	Make sure the teen has taken Driver Training, as this will reduce their rate. They pretty well have to take the same coverages that are applying to the vehicle they are being added to but the Collision Deductible could be increased to lower the premium for one thing.
10	Encourage the student to complete drivers training and maintain a B avg. prior to being added to the policy. The policy limits of the auto that the youth is being added to is fine, but due to accidents happening with inexperienced drivers, it's best to carry the max limits opposed to the min limits.
11	Don't buy their son/daughter a brand new vehicle, especially one that is "sports/high performance". I would recommend they carry at least 100/300/50 if not higher with a comp and collision deductible of \$1,000.
12	Good grades (3.0 or better). No tickets. Good driving Skills. Coverage's \$300,000 liability limits or higher.

13	<p>1. Teen driver should take a recognized driver training course to lower the premium charged for a new driver.</p> <p>2. The G2 driver should obtain their full G license as soon as possible as obtaining the G license may have an effect on rates.</p> <p>3. Coverage: The parent should carry a reasonable amount of Liability protection, as any claim arising from the ownership of the vehicle can go back to the owner. I suggest considering a Liability Umbrella policy to make the higher limits affordable.</p> <p>4. May consider indexing of accident benefits option. If the teen is permanently injured without this benefit the benefits would be fixed at the current limits of payments.</p> <p>5. Consider collision coverage for the vehicles that the teen will be driving.</p> <p>6. If the vehicle is being equipped with aftermarket equipment check with your broker to ensure that there is coverage for these modifications.</p>
14	<p>Rates - The lowest possible rates are achieved when a person under 18 is still in school full time with a 3.0 grade average or higher. This can potentially save a youthful driver \$200-400.00 every six months on insurance as a good student discount.</p> <p>Coverage - Parents should consider the legal liability of their minor's financial obligations. We suggest parents make their children carry the limits they themselves carry on their vehicles to protect them at the point of their child's accident as if it was their own.</p>
15	<p>1 - Parents must teach their children to be responsible and act responsible</p> <p>2 - We do not recommend coverage - we advise what the coverages represent, how they protect and what can happen without.</p>
16	<p>The current motor vehicle driving tests are outdated. Teens should be required to complete computer simulated driving situations before they are given a learner's permit to drive on the streets. Teens do not take driving seriously until something terrible happens to them and then their response is "I didn't think that would happen to me." I think if the requirements to get behind the wheel were more challenging their perception of driving would be more serious.</p>
17	<p>One of the best ways of ensuring that parents are obtaining the best rate for their youthful driver is to stress the importance of making good grades while they are still students (i.e. typically 3.0 GPA or better) and therefore getting the "Good Student Discount". This discount is very powerful in reducing the overall rate, and is applicable even well into the child's college years. Secondly, typically rating the youthful driver on the "lowest rated vehicle" (i.e. usually an older vehicle with only liability coverage) will further reduce the premium. Of course, all drivers in the household are covered while driving any insured vehicle.</p> <p>As far as coverages, we always try to recommend that parents carry at least 300/300/100 and then supplement this with a Personal Umbrella. Naturally, this is a little more expensive upfront, but it can save a family from financial devastation later on in the event of a tragic accident.</p>
18	<p>First, if adding a teenager and a car it is most cost effective if the rating rules permit the teenager to be rated for use of the least expensive vehicle or the one with the least coverage. In other words, rather than let the child's rate be applied to your full coverage luxury car...buy an economy car for the</p>

kid...as you would not require full coverage on the latter.

In California we can reduce the BI/PD liability limits of the teenager to state minimums, and often recommend that in those situations where the youngster has no significant financial position, earning power, trust fund or inheritance. In those cases where the typical student just has a part-time minimum wage job, there is no need for the child to have the high liability limits that the parents require to protect their assets, earning power, etc. Some carriers in California permit the limits to be so reduced up to age 21...others allow it only for 3 years. However, there are laws in California that hold the owner (parent...rental car service, etc.) responsible only for minimum financial responsibility limits in the absence of reckless endangerment of the public or employee/agent/principal relationships. The concept is based on the fact that if there were to be a separate policy for the teenager...covering just the child's vehicle it would likely just be a minimum limits contract, anyhow. By adding the young driver to the family policy with the reduced limits applicable to the new driver...the family enjoys the benefit of having all drivers in the family covered driving all cars...and the reduced limits follow the driver, not the vehicle.

We have other devices like Good Student discounts of about 15% for those full time students maintaining 3.0/B or better grade point averages.

There can be annual mileage rate categories that can have a noticeable rating impact, but that can vary from carrier to carrier, but could in some cases be used as a deterrent to unlimited use by the young driver. Something similar to the discipline that auto leases encourage.

The most important factor in future rating of a youthful operator is the attitude of the parents and the child towards public safety and responsibility. If more parents strictly controlled the hours of use, purpose of use, permitted passenger load, on board distractions like excessively loud audio systems/in car use of cell phones, etc., as well as demanding complete compliance with all traffic laws or face severe restriction or loss of vehicle use...the rates would go down, as injuries, damage or worse would be greatly reduced.

It is really up to the parents. I have had families of 4 or 5 children go thru years of loss free experience...and from very affluent backgrounds. I've also had more instances of a single spoiled brat having multiple accidents, eventually being removed from the policy...all the while the parents protesting the discrimination taking place against their poor child.

When was the last time you know of a parent riding with their teenager in the youngster's car, or discreetly following them to observe the child's driving habits?

I recently read that US federal highway statistics indicate that something like 1 of every 5 16 year old males is involved in an accident in their first year of driving and about 1 of just under 7 female 16 year olds is involved

	<p>in an accident in their first year of driving nationally. Those are approximately Russian Roulette odds! Parental focus would be better directed at the oversight and direction of their progeny to enhance their survival prospects opposed to the comparatively insignificant auto premium considerations.</p>
19	<p>We offer two discounts for teen drivers - one for maintaining good grades and one for completing drivers ed. Of course, the best way for teens to keep premiums low is to maintain an accident and violation-free driving record. Teens, for a variety of reasons, probably don't need to be driving brand-new sports cars. That's a sure way to acquire high-priced insurance. Coverage is a very personal decision and depends on many factors, so it is difficult to make a recommendation in that area, except to say that carrying the lowest limits on a teen driver in order to save money could have disastrous financial consequences in the event of an accident.</p>
20	<p>Don't buy them a car when they are 16. Let them use yours on a part-time basis, and pay the additional premium for them ONLY IF THEY MAINTAIN THE 'GOOD STUDENT DISCOUNT'. Help them purchase a car WHEN AND IF they have driven for 1 year with no accidents or tickets, thus showing the necessary responsibility. When they are responsible enough to have their own car, make them pay a percentage of the car, or they won't appreciate it. The car should carry a low rating for "damage susceptibility", usually 4 door sedans, to keep them SAFE. It should also be cheap enough that you don't have to carry Physical Damage coverage. If they wreck it, they live with it, or pay to get it fixed.</p> <p>The Liability Limits on the car should be as high as your own--at least \$500,000 in today's litigious society. A \$1,000,000 Umbrella is a good idea. If you have a serious accident and your limits are not high enough, the company will pay out the policy limits, and leave you to defend yourself for any further legal demands.</p> <p>Carry high deductibles on Physical Damage and pay for small accidents yourself. Surcharges for 3 years are collected on collision claims that can be more than the cost of fixing the car. Besides, multiple claims will result in non-renewal, and finding a new company with claims on record will be very expensive.</p>
21	<p>The most important thing is not to try and save money by lowering limits for the young driver. To that extent you are going to have to "bite the bullet".</p> <p>The reason the rates are high is because they are NOT good drivers (yet). They are the drivers that are going to cause problems, so do not "cheap out" on insuring them and protecting yourself. The things that can be done are to make sure their grades are B or 3.0 or higher so they can earn the good student discounts. You can obviously control or restrict just how much driving they do and when its done. If you are buying them a car, get them one they don't want...by that I mean 4 door cars are less expensive than two door cars. Four and six cylinder engines are less expensive than 8 cylinders. Two-wheel drive is less expensive than four-wheel drive. Generally, domestic is less than imported.</p>
22	<p>To ensure lowest rates for youthful drivers, the children should maintain a</p>

	<p>"b average for discounts, attend drivers ed classes even if not available at school. The children should drive a vehicle that requires liability only so premium is less.</p> <p>There should be cell phone laws for hands free and all children with a cell phone should only use it with the hands free kit or receive a violation.</p>
23	<p>We normally recommend to our parents of teen drivers that they have their child enroll and complete both driver's education and defensive driving classes as these courses offer substantial credits to their premium and, hopefully, help create safer new drivers. As far as coverage goes, if the teen is to be on their parent's policy, the limits of liability the parents carry would apply to the teen and we recommend that they carry the highest limit available and consider the purchase of at least a \$1,000,000 Umbrella Liability policy.</p> <p>We also propose that they consider registering and insuring a vehicle in the teen's name only to protect the parent's assets and insurability from the potential for loss that is generally greater with young drivers. In these instances, limits of liability commensurate with the teen's assets can be considered.</p>
24	<p>Most standard insurance carriers offer several discounts to help offset the high rates for inexperienced drivers,</p> <ol style="list-style-type: none"> 1) Driver Training Credit. The young driver must attend and complete a approved driver training program, 2) Good Student Discount - Maintaining a B+ or better grade average certified by the student's school. In addition, the parents should acquire a conservative vehicle with not more than 6 cylinders and try to pay cash for the car so that they will not be required to have collision and comprehensive coverage for the vehicle. On a newer vehicle that is required to have physical damage, the premium cost can be very substantial in cost.
25	<ol style="list-style-type: none"> 1. Parents can ensure the lowest rate possible when adding their new teen driver if the teen maintains a "B" average or better at school, takes a driver training course that includes both classroom and road hours and by not providing a vehicle for the teen's full time use. If there is an older car in the household that only requires liability coverage, assigning the teen to that vehicle would be less than if physical damage (Comprehensive and Collision) is needed. 2. I would recommend carrying the highest liability limits and the largest deductibles that parents can afford when a youthful operator is added. A personal umbrella policy (Excess Liability) is also recommended.
26	<p>Parents should have their children complete drivers education in school, complete the defensive driving class.</p> <p>Coverage may vary, but I would recommend at least 50/100/50 liability not the minimum.</p>
27	<p>Encourage your child to have a B or better average for the good student discount.</p> <p>Some companies such as ours allows the child to have lower limits of liability than the parent and still be on the same policy. This allows the child to cost less and still protect the assets of the parents.</p>

	<p>Finally, be sure the child's car is an older vehicle that does not require full coverage. The fact that the child knows that if they crash their car it won't be replaced might be enough to keep them focused on driving.</p>
28	<p>Parents should teach kids driving is a privilege and not a right. They should not just hand them the keys and have unlimited access to vehicle. They should talk to them about what to do in car emergencies. They should talk to them about not driving while drinking and not to get into a car with a driver who has been drinking. They should assure the kids that if the kids need a ride home the parent will go pick them up or arrange for a taxi to pick them up. When the kid arrives home there should be no lectures about drinking or being out late but a reassuring talk the kids did the right thing by calling.</p>
29	<p>Rate (Alberta): Well the best rate is derived by taking Driver Training whether the child is an occasional driver or principle AND newly licensed. But to keep that reduced rate in effect for 2 years the child cannot be involved in an at fault loss or they lose the credit. - Hence loss prevention = I Promise Program.</p> <p>With respect to Children who have been licensed for some time and may or may not have been shown as a driver (previous insurance) there are a number of variables to be considered such as: violations, occupations, types of vehicles etc.</p> <p>What coverage is recommended: In Alberta when a child is added ONTO an auto policy, the charge usually reflects what coverage is already carried on the vehicle - a charge for liability and if collision then a charge for collision. If 2 vehicles one with full coverage and one with liability then the rate charged for the teen (occasional) is based on the vehicle with full coverage. So every situation is different, but if we are going to talk about amounts of Insurance then we suggest to our clients that at least a \$1,000,000.00 liability coverage should be carried. The collision coverage is often dependant on the age/value of the vehicle versus the cost of insurance.</p>
30	<p>a. Parents must be proactive in the driver's high school grades. A 3.0 or better will do two things, save auto insurance premium and help the child understand the importance of grades. Perhaps, if used for the good of the child, it may give he or she the discipline to attain them.</p> <p>b. Driving records: It's easy to get a ticket, but in normal circumstances, it's hard to get rid of it. Indicate to the driver that for each ticket he or she gets, it will take approximately 36 months to rid your driving record of it. During the wait for a clean record, the insurance premium will reflect driver experience.</p> <p>c. Driver Training will help the rate.</p> <p>Insurance coverage for the teen driver will be that of the parents. It's an excellent time to revisit the coverage on the policy. I indicate insurance coverage is the only thing between your personal assets and a claim. We all hope that you will never have to call on your insurance</p>

	company. However, should something happen while you or Johnnie have the car, you want the assurance that what you have worked for remains with you and your family.
31	In Texas the only rate benefit is 10% off for an approved Drivers Training Certificate. We obviously need more. Some insurers offer good student discounts but haven't seen them advertised lately. The State has passed a law limiting the number of teens allowed in a new driver's vehicle for the first year to lower the "distraction" hazard. No evidence yet that it works though. As for coverages recommended: The cost to insure a teen driver is so high that the rule is unofficially whatever you can afford. We try to encourage coverage limit increases and in affluent families recommend umbrella liability policies. In the end accident prevention is the only way to keep teen insurance remotely affordable
32	The rate for new drivers is quite high as anyone can tell you. The reason is insurance companies loss money on young drivers. I don't think they would even insure them if they didn't grow up to become good customers. There are not many discounts available for young drivers. The only one I know is the good student discount. "B" average or better. This is worth about \$100/year. I always recommend that the parents buy high deductibles \$500 or higher for Comprehensive or Other than Collision and \$500 or higher for Collision. Then always buy the \$1,000,000 umbrella policy. Usually under \$200/year. It's good protection for parents. Of course the best advice is to secure insurance with an Agent you like and trust. 800 numbers and internet sales can leave you unprotected.
33	1. Good Student Credit (honor roll, upper 20% of class, B or better average) lowers rate by approximately 15% with most carriers. Do not have a vehicle available for their regular use (principal operator). An occasional operator rate is less than a principal operator rate. 2. The same limits that apply for the parents should apply for the teen driver.
34	1). Emphasize that a new car is not a birthright vested upon all 16-year olds. Not only is a proven sense of responsibility to be PROVEN by deeds and actions BEFORE the learners' permit is acquired, but the license is renewable by contract (a time-period to be determined by each parent), and can be cancelled by the parent if the teenager displays actions deemed to be in violation of this contract. This contract will remain effective until such time as the parents cease to provide support to the teenager. 2). Discourage purchase of a new auto until age 25, or until graduation from college. An older car, costing \$2,000 - \$3,000 can provide transportation for a long time, and will not require CCD & Collision coverage. If a later model, or new car is acquired, consider higher deductibles. The money saved on the cost of insurance can be put into a sinking fund and draw interest. Then, if an accident does occur a couple years down the road, use the fund to offset the higher deductible. If a few years go by with no accidents, use the fund toward the new car.
35	There are three parts, which would constitute a reasonable answer to your first question. 1. Start by educating the teen driver. Make an appointment with your insurance professional and go

	<p>to his/her office. Sit there with the teen and have an exchange of information with your broker/agent and really, really involve them directly. Almost sit back and let them do the talking. Practice being invisible. Even though they already know it all, a few minutes well spent with a good insurance professional, in a non-confrontational session will reap benefits for many, many years.</p> <ol style="list-style-type: none"> 2. Let him/her be an integral part of the insurance decision making process, 3. Involve him/her in the responsibility of making future insurance decisions, and ensure he/she feels very comfortable in the coverage he/she have chosen, and the knowledge of how, why and from where it was chosen. And, just what to expect when, (not “if”) something goes wrong. <p>If all of the above have been seriously carried out, there is no doubt in my mind, the teen will have the most insurance for the least outlay, and be armed with the tools to make responsible decisions in the future.</p> <p>Mom or Dad might even learn a little in the process.</p> <p><u>Question 2.</u> What coverage would you recommend for the new teen driver?</p> <p>If the above has been done, the teen will be selecting appropriate coverage from a few choices. The problem with adding a teen to an adults’ car is that those choices are limited.</p> <p>I try not to “recommend”, for it only relieves the decision maker from making his or her own decision. Within a couple of minutes I should know just what kind of a relationship there is between the parent and the teen. That relationship is the strongest indicator of what choices will be made, when selecting insurance, and selecting how this vehicle is going to be driven, when Mom or Dad are not there. Coverage is only one part of the complete picture.</p> <p>My discussion would be to look at the entire complexity of this decision and maybe Mom and Dad would be better off finding their teen his/her own car, or going home and re-thinking this decision all together. It has happened!</p> <p>The coverage decision has to be made by the purchaser. Period. And the purchaser must be allowed to opt in and out of what choices he/she can. An additional driver has very little choice.</p> <p>However, on their own vehicle, the pride of ownership is felt only when it came to be thru honest hours over a burger joint grille or stocking shelves at Shoppers Drug Mart. Then, the choices are very easy to vary, and your Teen will be making some REAL choices. He/she is not playing with Mom and Dad’s money any more. And, he/she is going to leave my office feeling very proud of his/her decisions. And, they will be a whole lot less maintenance than anyone else who just looks for the lowest price, or the “basic” coverage.</p>
36	Make sure the kids have a 3.0 gpa and don't buy a car for them.
37	Parents should add their young drivers as soon as they obtain their permit. Here in NJ, xxx has filed a special program that affords the child the parent basic rating factors if they are notified within 30 days of the

	<p>student obtaining the permit. If notified after that, the surcharge for inexperienced operators and the child's base rate will be used - which is the case with all of our other carriers. In addition, parents can invest in driver education courses, which will save a percentage off the charges assessed for inexperienced operators. Parents should also remember that it is an "inexperienced operator" status for the new driver - regardless of their age. A young person who waits to obtain a learner's permit until they are 20 is still subject to the same rating criteria as the young person who obtains their permit as soon as they reach the appropriate age. Finally, on the issue of saving money, if the student will have a car for their own use and not just share a family vehicle, it is always less expensive to place that vehicle in the parent's name and insure under the parent's policy because they will receive a multi-car discount that will not be available if the vehicle is titled and insured in the child's name. As for recommended limits - young people living in the household with their parents should always carry the same limits of coverage for liability as their parents. If they are placed on the parents' policy, that already occurs. If students purchase their own coverage, parents should be aware that if the student's limits are lower than the parents' policy limits, in the event of a claim that exhausts the limits of the student's policy, the parents' policy may be required to respond to the loss claim as well (if the student resides with the parents, the definition of named insured under most auto policy forms includes all resident relatives).</p>
38	<p>Don't buy the child a car. Start off just adding them as a driver. Encourage the child to a GPA of 3.0 or better to reduce cost. Highest limits you can afford</p>
39	<p>Our advice is to limit the new driver to a particular vehicle. We recommend that they purchase a used vehicle that is not high performance or a convertible, and does not need physical damage coverage. We recommend the same limits as on the parents policy \$250/500 or \$300CSL plus matching UMI and no-fault OBEL option at least if the parent is supporting the costs of running the vehicle. We will write limits of \$100/300,000 for a young driver who is supporting his/her own vehicle.</p>
40	<p>Recommend the new teen driver be insured in an already paid for vehicle that would need liability only. It should be a four-door vehicle for safety. The limits should equal the liability limits that the parents need. If the family has all paid for vehicles requiring liability only, the new driver may be made occasional operator on one of the two vehicles.</p>
41	<p>Parents should make sure their child has taken whatever driver education and/or safety-driving course is available in their area. They should be accurate in listing the vehicle(s) the child will be driving.</p> <p>Responsible limits have no age group. Statistically, the newer drivers have more accidents. The limits on their policy should be reflective of that and of protecting their parents' current assets and the driver's future assets. Remember to purchase personal injury and medical payments coverage to protect the driver themselves. The value of the vehicle will determine the need for collision and or comprehensive coverages. Better to reduce premium dollars by taking a chance on the loss of the vehicles worth rather than reducing</p>

	<p>the liability coverages.</p> <p>Not part of your question, but teach the child to always take their keys and lock the car. We experienced a dramatic loss where our insured left the keys in the parent's vehicle at a party; another child who had been drinking got in the vehicle and caused a serious at fault accident. Granted he may have been using the vehicle without permission, but injuries and property damage occurred.</p>
42	<p>The biggest savings available to parents when adding teen drivers is a Good Student discount. This can range from \$150-\$300 per year depending on vehicle type and coverages. I think the coverages should be the same that the parents have. Some companies will write a separate policy for each vehicle. Our company offers reduced limits endorsement for newly licensed drivers, but some people are uneasy with this endorsement. This can save approximately \$50-\$100 per six months.</p>
43	<p>The parents need to understand that the teen driver is very prone to an accident. It's a fact of life. Therefore, the parents should impose restrictions: curfews, mileage limits, restrictive use, etc. the best leverage is taking the car away for improper behavior.</p> <p>Limits: the smart parent will purchase high limits with an umbrella.</p>
44	<ol style="list-style-type: none"> 1. Driver Ed Training, curfews strictly enforced, maintain academics, use older reliable automobile (not new high performance vehicle) 2. If covered under parent's policy, limits of liability moot-if a separate policy, limits equal to parent's limits. Don't recommend that child have title to vehicle. Use high deductibles on physical damage or no coverage for collision if an older vehicle (liability only) and make child responsible for damage caused by his/her negligence.
45	<p>What can parents do to ensure the lowest rate possible when adding their new teen driver to the policy and what coverage would you recommend for the new teen driver?</p> <p>When adding a new teen driver onto the policy you can get a lower rate if the teen has taken a defensive driver course. The course usually has to include 30 hours of classroom time and 6 hours of driving time. This discount can be as much as 20% depending on the company and you must supply a certificate of completion to the insurance company. Another discount you can get is the good student discount. If the teen has a B average or better they can qualify for this discount. You must provide the insurance company with a copy of the student's most recent report card or fill out a form that the insurance company can provide to you.</p> <p>Also to ensure a lower rate don't place a youthful driver on a brand new vehicle or a sporty type vehicle. Be sure they drive and are rated on an older model vehicle or only put on as an occasional operator. However, if they primary drive a vehicle it is best if it is an older vehicle.</p> <p>As far as coverage goes, I would recommend carrying high collision and comprehensive deductibles if you want physical damage on the vehicle.</p>

	<p>On the liability I would recommend at least 100/300/100 but consider carrying higher limits of 500/500/100. You may also look into carrying an excess liability umbrella policy of \$1,000,000 worth of coverage or more.</p> <p>For more information it is always good to consult your current insurance agent.</p>
46	<p>Province of Ontario: Drivers Education is a must and in most cases the return on investment is 1 year it varies from company to company. Traditionally the drivers training course is equivalent to 3 years of experience as far as a driving record goes for insurance rating purposes. It is important to have the new driver shop around for this course as well as my recent experience produced a variation in cost of over \$200.00 and there was also various payment terms for students to choose from as well. As well when it comes to courses for drivers training make sure it is a course that qualifies under current standards and you would refer to http://www.mto.gov.on.ca/english/dandv/driver/gradu/approve.htm. As an added note if there is an at fault accident during the first 3 years the discount is lost at the time of renewal of that policy and can not be re-instated.</p> <p>It is good to point out in the situation where you are adding the driver on as an occasional operator, just because your current Insurer was the best priced at the time you bought the insurance, this may not be the case now. Since the situation has changed and the overall "risk" is different than it was it is time to look at all of the alternatives. Some Insurers are positioned better than others and there will be a wide variance in pricing, so make sure all angles are covered. There are Insurer's that offer discounts based on grade averages as well so make sure that this is part of the discussion it may make a difference as well. Also make sure that if the young driver is a student away from home, usually over 100km, there is student's away from home discounts as well that are substantial.</p> <p>The Graduated licensing process needs to be understood and followed to achieve the best possible rates now and in the future and again I would refer to another web site for reference http://www.mto.gov.on.ca/english/dandv/driver/gradu/index.html. Too many times young drivers follow the program until they obtain a G2 classification and then they wait. By doing so with most Insurers they loose the additional year that would be given under the discount program. The basic rules of this discount program are outlined at the following web site http://www.facilityassociation.com/fapdfs/Facility%20Ontario%20Manual/Section%20B.pdf . As mentioned in the drivers training remarks, a suspension of a driver's license during this time would cause the discount to be lost. Parents need to be better informed as to what the G1, G2, G system allows a young driver to do and what implications young drivers face if there is an infraction the MTO site explains this as well.</p> <p>There is an area of concern that usually overlooked and the more families</p>

	<p>that understand this the better it would be. That is in regards to the number of drivers in the household compared to the number of vehicles in the household. For example you and your wife have 3 cars and your son obtains his G2 license. You will now be forced into naming your son as a principal operator on a vehicle, which is a far cry from paying an occasional operators premium and in most cases this is found out too late. In other situations where there are only 2 cars and 2 drivers when the young driver is added they are added on to the highest rated automobile, which is usually the most expensive.</p> <p>One of the concerns of any Parent is the safety of their child when they are driving the family car, it's a huge step and one that should not be taken lightly. The coverage that is allowed to the young driver follows the coverage that is currently provided on the car that they are assigned too. Liability limits need to be as high as can be afforded and should not be less than \$2,000,000.00, optional accident benefits should be considered as well if they have not already been added, as far as collision coverage the higher the deductible the better the rate. But be cautious and try a few different variations since the savings between a \$500.00 and a \$1,000.00 deductible may not justify the monetary risk taken by the insured. Make sure OPCF 44 is included and if OPCF 20 is on the policy it would not hurt to question if the young driver would be able to drive the rental if there was an accident - fault would not be a factor. OPCF 27 and 43r also should be considered but not because of the young driver but because it is coverage that should be there.</p> <p>The last thing is to remember how the fault after an at fault accident works. The rate of the young driver as an occasional driver will be affected and in some cases may cause the driver to be excluded from future renewals. If the young driver becomes excluded and is no longer insured, the accident is now rated for against the owner of the policy and stays with the vehicle. There is more to this topic but I am running out of steam, if you want more detail call me or email me and I can add to this part as well.</p> <p>I hope I have not gone on too much and I think I have covered all my thoughts, Gary keep in mind these suggestions cover adding a young driver to an existing policy and if the young driver was to purchase their own policy the recommendations would be different.</p>
47	<p>1. I believe parents need to really know where and what their children are doing, particularly when the child is in possession of the vehicle: e.g.: are they going to a party? (Any drinking?), will the child have friends in the vehicle - will the friend be allowed to use the vehicle? Will the child be doing a lot of transporting of people: e.g.; taking kids to a campsite. What other reasons would the vehicle be used for besides transporting people: i.e.: is he helping a friend move to a new location. In reality: whether it is the parent driving the vehicle or the child: the parents are still responsible in the end: so, to keep rates down, it is pure and simple: have kids that drive, fully understand the ramifications of owning a drivers license, and having the PRIVILEGE to drive a car. Taking any driving safety courses, each state has their own requirements and discount. 2.The coverages for liability for the children should be the same as the parents_ they are still responsible..</p>
48	<p>In most instances, the young driver's liability (BI/PD) limit must equal the limit carried by the</p>

	<p>parents but deductibles (comprehensive and/or collision) can be increased on the young driver's auto to lower the premium. Also, young drivers who are good students (maintain a "B" or better average), take driver training courses at school, or take public defensive driving courses can expect a significant rate reduction. Some carriers also offer discounts for viewing a company-produced safe driving video and workbook if the parent and child agree to watch the video and complete the workbook together.</p>
49	<p>One thing you may tell parents, is that a lot of companies will offer a "good student" discount. If the child maintains a 3.0 or better, they can qualify. Also, if they are looking to purchase another car for that child, it would be less expensive to get one that you only have to put liability on. But be sure it's not a highly rated car (ex. Camaro, Cavalier Z24, a sport model vehicle). If you add a vehicle, the child will be listed as the primary driver. If you add the child without a vehicle, they are listed as an occasional driver. The insurance agent should be able to give someone a very basic quote for either option.</p> <p>Keep in mind that if a new car is purchased, the insurance has to be written in the same name the vehicle is titled in. A new driver will get a better price staying under his parents insurance, than going out on his own.</p>
50	<p>First & foremost is that the teen driver completes their driving class & behind the wheel training and forwards any certificates of completion of these to his/or her agent.</p> <p>Second is the vehicle they purchase for the teen. If parents are going to buy their teen a new vehicle that requires full physical damage coverage their going to pay for it in premium.</p> <p>Getting an older model car that does not really require full physical damage coverage is a good way to go. At least for the first 3 years the teen is driving.</p> <p>Best thing to do is contact your agent. They should be able to give you an idea what the premium will be for different vehicles your looking to purchase for your teen.</p> <p>Some companies give "good student" discounts be sure to ask.</p> <p>Question: What coverage would you recommend for a teen driver?</p> <p>As far as liability & personal injury protection...the maximum you can afford. Liability is going to protect you against damages your teen causes to other drivers & personal injury protection is going to cover your teens for their injuries. And lets face it - teens premiums are high for a reason...They get into accidents, maybe not always there fault, but the lack of experience hinders there ability to avoid them.</p> <p>With comprehensive & collision deductibles it depends on the vehicle they use. Is it an old enough model you may not need full coverage? On vehicles with full coverage (comp & collision) try higher deductibles that will lower your premium.</p>
51	<p>1) To ensure the best rates for occasional operators, having Ministry Approved Driver's Training will generate a savings in that, they will be given a better driving record to build up from. With drivers training the young drivers will receive a 3* driving record. Without the training, the child will start at a 1* driving record. The annual premium difference can</p>

	<p>range from between \$300-\$500.</p> <p>2) In regards to coverage for a new young driver: the coverage that already exists on the parent's vehicle is also allocated to the young driver. Young drivers who insure/register their own vehicles, depending on the year of the vehicle are suggested to carry \$2,000,000 liability, collision and comprehensive.</p>
52	<p>1) To ensure the lowest rate possible is to stress no tickets, accidents (at fault or non-fault) and have a young driver interview with their insurance agent. As an agent I interview every young driver that is added to a policy. I stress the very things that parents want stressed. The worst mistake that I see parents make are buying sports cars (muscle cars) for their kids. This creates an insurance nightmare if this is done before consulting with our office. Stay away from sports cars and stay with a middle of the road vehicle. Kids that make excellent grades are also rewarded with a good student discount - so grades are extremely important. Due to inexperience and being young I do recommend that parents carry a minimum of \$100,000 / \$300,000 Bodily injury and \$50,000 property damage liability. Anything less than this is inadequate.</p>
53	<p>My answer would simply be to have the kids get good grades "B or better" take drivers ed and behind the wheel and in regards to the limits that would depend upon the individuals needs and situation.</p> <p>You might have the parents wanting to add the teenager on as a driver or on a separate policy. The best bet is to sit down and go thru the coverages so they all understand what is going on.</p>
54	<p>Reward their children for maintaining a "B" or 3pt. grade average. Good student discounts are substantial (up to 20% with some carriers). If they don't get the discount, (poor grades) let them pay the additional cost themselves. Put higher deductibles on comp and collision coverages. Have child rated on the least expensive (older) family vehicle. If a car is provided for the child as a full time operator, get an older sedan (4 door), that may not require full coverage (comp & coll) and add uninsured motorist property damage coverage instead. Always maintain sufficient Liability Limits - Do NOT reduce that coverage.</p>
55	<p>Federalize the license, with a standard age for receipt of permit. One year minimum driving on permit. Chargeable accident or multiple major violations would increase the permit period.</p>
56	<p>Available discounts are drivers training and good student (B average).</p> <p>It's best not to buy the teenager a car and just have them rated as an occasional driver on Mom or Dad's vehicle. If they do provide the teen with a car, make it an older model that does not have to carry comprehensive or collision coverage.</p>
57	<p>1) Parents can provide guidance, leadership and lead by example for all teenage drivers. They should require drivers training and require the teenager to maintain good grades. They should limit the driving time on the teen driver and not purchase a brand new vehicle or sports car for the new teen driver.</p> <p>2) New teen drivers should have higher limits of liability, medical payments, uninsured motorists and if applicable to the vehicle Collision and</p>

	Comprehensive. They can keep the premium lower by raising the deductibles on the policy if they do have to have Comprehensive and Collision coverage.
58	<p>To ensure the lowest rate possible they should add the child as a driver but not give the child his/her own vehicle till they become more experienced. Also they should try to encourage the child to keep up their grades so that they can get the good student discount.</p> <p>As far as coverage goes as long as the child resides in the same household as the parents they should have the same coverage as the parents because the parents will still be held responsible for the child's actions.</p>
59	We would advise parents have their kids complete driver training & finish the graduated licensing program A.S.A.P. Full coverage recommended while occasional operator on parents vehicles. Consider no phys dam cover on their own (kids principal) vehicle if value of vehicle is low & premiums are high enough for client to be concerned.
60	To get the lowest rate possible for a teen driver, it is usually best for the teen to be an occasional driver on a vehicle with Liability, Med Pay & UM/UIM only. Make sure it is a safe vehicle, and not sporty or high performance. Also, most companies offer a substantial discount if the teen has a B or better average in school.
61	Promote good student discount (B average of above), driver training (up to a 15% discount) defensive driving course (5% discount), place car in parents name and add to parents policy (retains control of who drives vehicle and when with appropriate consequence) father speaking not insurance agent; We recommend at least 500,000 for any driver with matching uninsured and underinsured limits. Suggest higher limits if protecting assets above the above limit using an umbrella. For physical damage we ask the insured to look closely at the cost of the comp and collision plus the amount of the deductible vs. the value of the car.
62	Two courses I would recommend is driver ed and defensive driving. I think that all the teens should take driver ed before they get their license and shortly after they have their lic they should also take defensive driver. Most insurance companies give discounts for at least one of these courses usually def. driver some also give discounts for driver ed which is the best course to take. Parents also need to take an active roll in this they should know where there kids are going and for how long and with whom they are going with. I say this from experience from 3 of my own kids that are now no longer teen drivers but where there a few years ago you need to keep track of them. Many parents do not put any restrictions on young teens which I feel is wrong since they have no experience and no fear. In NY they under 18 cannot drive after 9pm but many parents do not keep track of this either which they should because it prevents future problems
63	<p>Depending upon the insurance company rates are primarily based on age, sex, drivers education or not, grade average and most importantly - driving record.</p> <p>As for recommended coverages, they most certainly should not be less than the parent's coverage since they are underage and the parent is still responsible for their actions as relates to the liability. As for physical damage coverages I recommend that parents buy inexpensive used cars that they don't have to carry full coverage on.</p>
64	The biggest thing to ensure the lowest rate would be to buy them or let them buy a vehicle that is

	<p>older and would only require them to carry liability coverage. Then the limits of liability are going to depend on if they are added to the parent’s policy. Then the companies will require them to have the same limits as their parents. Now if the young person registers the vehicle in their name, they may carry lower limits of liability</p> <p>I would recommend carrying as high of limits as you can afford.</p>
65	<p>Part 1: If the new driver will have his/her own car, it should be an older 4-door. Avoid 2-door vehicles, sports cars, & muscle cars. The youthful operator should take a certified driver education course.</p> <p>Part 2: Liability limits must equal that for the parents, so physical damage coverage for the rated vehicle should be with high deductibles. Comprehensive with \$250 or \$500 deductible; Collision with \$1,000 deductible (or drop Collision altogether if vehicle does not have a lien and the ACV is less than, say \$5,000). Don't drop Medical Payments coverage, or UM coverage. Don't buy Rental Reimbursement or Towing.</p>
66	<p>1.) If the family has an 'extra' vehicle (i.e. dad has his vehicle, mom has her vehicle and there is another vehicle in the household) you may want to restrict the young drivers to the older/lower value vehicle through the use of the '28A' endorsement - you will end up having to make the young driver a principal operator of the vehicle you chose, and have each parent as a principle operator of the other vehicles.</p> <p>2.) If there is no 'extra' vehicle, then the young driver will be an occasional operator (at a significantly lower premium).</p> <p>3.) In all cases having the young driver complete a 'recognized' driver training course (and submitting proof of successful completion) will typically 'advance' their rating experience/status by three years. In other words, your premium will be the same as a young driver who has already achieved three years claims-free experience. The premium savings are virtually guaranteed to pay for the course (sometimes the premium savings in the first year of your coverage pay for the course!), not to mention the obvious safety benefit for your child.</p> <p>4.) Then, the parents and their daughter/son should take advantage of the 'I Promise' contract. This also has obvious benefits. However, some insurance companies will also recognize this, and may offer additional premium discounts.</p> <p>Now, regarding the question of 'What coverage...'</p> <p>This is something that every parent should take time to consider. None of us want to see anyone (especially young people) involved in an automobile accident. But it can happen, and sometimes with serious consequences - that is one of the reasons why we purchase insurance. In Ontario our statutory Automobile Insurance policy makes provision for certain Accident Benefits, which are applied on a 'no fault' basis - you go to your own policy for recovery. Notwithstanding the 'thresholds' built into the policy, certain coverages provided have limitations in scope and amount. There are options</p>

	<p>to pay an additional premium, and increase these coverage limits. This is an important consideration for our young drivers. They have their 'whole life in front of them': their working career, possibly a family life of their own, etc. A car accident can change that in the blink of an eye. And, not having sufficient Accident Benefits coverage limit to look after them for the rest of their life will take this terrible situation and make it much worse.</p> <p>The flip-side of this is having a prudent amount of Automobile Liability insurance to protect them (and possibly their parents as well), from having to spend many years paying for the injury or damage their accident did to someone else (particularly if they are responsible for an accident outside of Ontario). The minimum amount of Automobile liability insurance legally required for Ontario is \$200,000 - which will not go very far towards potential damages or injuries that may be caused by your daughter/son.</p> <p>With respect to physical damage insurance on your vehicle, you may consider higher deductibles - it may not be as critical to have damage fixed right away on that vehicle. If the vehicle is older (and not worth as much), you may want to consider saving premium by going without physical damage coverage altogether (i.e.. all perils, collision, comprehensive and/or fire & theft).</p> <p>As an insurance broker, some will feel that it is nothing more than 'self-service' to suggest that our clients buy higher amounts of insurance. Unfortunately, I have seen some clients left with a grim situation following an automobile accident in which their child was seriously and permanently injured. Making certain you have the right coverage is extremely important. When we buy our insurance we hope we will never have to use it, but if that day comes, we don't want to be looking back and wishing we had done it differently.</p>
67	<p>As to the first part of your question, a parent should enter into a written contract with the liability insurance company to the effect that the teenager will not be allowed to drive the car without being accompanied by one of his/her parents or guardian until the teen has reached his or her 18th birthday.</p> <p>At 18 the teen can operate the car, but only if he or she is accompanied by a licensed driver not less than 21 years of age.</p> <p>In short, the agreement should follow the graduated driver license guidelines that have been approved by the National Safety Council or the US DOT, except that the age restriction should go to age 18.</p> <p>This agreement should be an endorsement to the policy contract after being approved by the state insurance commissioner.</p> <p>As to the coverage the teen should have, since the teen is covered under his or her parent's insurance policy when he is operating the vehicle under the terms of the contract, the parent should have the necessary coverage to protect his</p>

	or her assets in the event a tort judgment or settlement occurs.
68	I would recommend that they buy a car that is not on the company's ineligible list such as a sports car and higher deductibles. Also, advise the parents that it would be helpful if the teen driver has taken drivers training. It would give them a discount with certain companies. Also, advise that if the teen driver has a B average on their current semester grades that they could get a Good Student Discount with certain companies.
69	As a New Jersey agent, new teen drivers or "inexperienced drivers" are rated much higher than experienced drivers. In New Jersey, we have tier rating and inexperienced drivers can only qualify for certain tiers. What can parents do to ensure the lowest rate possible? First, is have them take a driver training course (which may be a discount depending on the carrier) and if they are a good student, to make sure to get another discount again depending on the carrier. Next, parents can purchase an older vehicle in which no Comprehensive or Collision is taken but that could affect your tiering depending on the carrier. As for coverage, that is a personal preference but we recommend to all of our insureds \$250,000/\$500,000/\$100,000 for BI & PD. Most of the time, the premium difference is not much difference if you select lower limits.
70	The only rate savings a parent can have is to enroll the teen in a driver-training course. To keep the rate savings the teen must remain accident and conviction free. So that would be in the control of the teen. What coverage would I recommend for the teen driver? I am not clear what you are asking. The coverage is on the vehicle not the driver. We always recommend full coverage especially for newer vehicles.
71	In Manitoba we have no surcharge for adding a new driver. In the event of an accident the new driver is surcharged on their driver's license. From past experience (with my children, when they were new drivers) I recommend \$200.00 deductible & \$5,000,000.00 third party liability. Chances are a new driver will have some kind of collision mishap within the first 2 to 3 years of driving. Manitoba is now on the graduated license system that I totally endorse.
72	Obtain a car that no physical damage has to be written on. Ask about a good student discount. Obtain a car that is not considered by insurance companies as high performance and not as likely to have occupant injuries. If the student is under 18 the same liability limits as the parents have because until 18 they are responsible for the student's actions. Suggest parents carry at least \$300,000 in liability.
73	To keep the premium as low as possible young drivers need to make sure they will be eligible for the good student discount by keeping up their grades in school. Additionally, they need to follow all laws and drive carefully and defensively so as not to add additional expense to the basic premium with traffic tickets or accidents. I normally suggest that vehicles being driven by the youthful driver be fully insured as the driver works on improving skills and gains some "behind the wheel" experience.
74	Parents should get teens to take drivers ed., gives them a three-year record with most companies. Also teens should talk to a broker to help understand how important it is not to have an accident against them and what happens if they are in an accident. Also the broker can explain the coverages to the teen and how the system works.
75	----The only thing available to parents, to help keep the cost down when adding a teenager to their

	<p>policies---is the driver education programs--must be a certified program--it must be approved by the MTO---with a minimum of 25 hours of class room instruction and at least 8 hours behind the wheel.- ----at this time I am not aware of any markets that give discounts for skid control courses----the only other discount that some companies allow would be the good student discount--must be in the top 10% of class.</p> <p>The second part of your question regarding cover---whatever the parents have on the cars to be driven the same would apply to the teenager---Always Liability with a minimum of \$2,000,000.00---minimum collision deductible \$500.00.</p>
76	<p>When adding an occasional new teen driver to a policy that has two vehicles, it is sometimes more cost effective to split the vehicles into two policies so that you can specify which vehicle the young driver will be charged on. Most times the young driver is driving the least expensive vehicle. If the vehicles are on one policy, the young driver will be rated on the most expensive vehicle. You must look at the whole picture for an accurate reading, taking into consideration the steps of all drivers. If the parent has a step of 15 or greater, the cost to add the young driver will not be as costly. If the teen driver is to be a principal driver of a vehicle, always charge the correct rate. That should never be an option to saving money.</p> <p>With respect to liability limits, we make the same recommendations to young drivers as we do their parents. When buying limits you must consider two things - your moral obligation to someone you injure and how much you can afford. Your teen driver's best friend can be killed or seriously injured in an automobile accident as a passenger in her vehicle. If she is responsible for the accident she will feel much better knowing she has adequate limits on her policy to assist the family with expenses. We try to take the "I won't know the victim" out of the picture. Teen drivers and their parents should always buy as much as they can afford. We recommend minimum limits of \$100/\$300 for parts 3, 5 & 12 and \$100 on part 4.</p>
77	<ol style="list-style-type: none"> 1. Encourage good grades. As much as 20% discount for 3.00gpa and above with some companies; 2. Purchase a nice looking vehicle but older so comp and coll coverage [physical damage] does not have to be carried. This part of the premium generally is 50% of the total cost; 3. Wherever you are going, leave early; most accidents happen due to non-attention i.e. in a hurry to get there. 4. Limits of coverage: should equal the parents. A smart agent does not tell client what limits to carry, just the cost. As much as you can afford is generally the answer. 5. Think about how car is titled: if to child alone, a separate policy will be needed and most companies will not give multi-car discounts if only one car is on policy; if titled to both parent and child, the car can go onto the parents policy for this discount; 6. Educate child regarding the increase in insurance costs due to driving/drinking; speeds; at-fault accidents etc. I taught school for 12 years; as an agent I would speak to the drivers education classes. I would work the formula for figuring premiums on the board then do it again if they were charged with drunk driving; the increase in premium seemed more attention getting than anything. 7. Tell your child you love them; if they do have a fender bender, it is not the end of the world...sure beats drugs etc.
78	<p>A parent must be a good example to their children--being totally honest in their own day-to-day affairs. Children do what they see others doing, not what we say. This means parents are their children's' mentor, not their boss. Parents must also insist their children share in the responsibility of the costs of the operation of the vehicle they now have the privilege of using. How else will a child appreciate the responsibility of now assuming and being accountable for</p>

	<p>their own actions?</p> <p>Moving into a responsible adult life is like learning how to walk. When we were very young our first steps were uncertain to say the least. When we fell, we received the bump on the head, not our parent. We got the cinder in our knee, not our parent. When we tell our children of the ground rules in the use of a vehicle, curfews, limited personal use, distance, etc. we must be fair but firm and the child must be accountable. We must reduce the number of claims and fraud in order to lower rates. The number one cause of death of 18 to 24 year olds is auto accidents, due to drinking and lack of responsibility. Low rates follow low costs due to claims.</p> <p>I would also recommend a good agent rather than particular coverages. A good agent will educate both the parent and child what each coverage does and suggest what is appropriate to purchase. It is what you don't know that will hurt you.</p>
79	<p>I would say Good Student Credit (3.0 or better GPA), a Driver Training Class (Class time of 30 hours & actual driving time 6 hours) and car selection for the teen driver are all key in the lowest premium. If they can get along without actually buying them their own vehicle, having them share the use with one of the parents, this will also help especially during the first two years of driving.</p> <p>As far as the kind of coverage they should get, I would say the highest liability limit they can get, maybe even the purchase of an umbrella policy and the highest deductibles they can get. The high liability and umbrella policy will protect the parents if they are sued for an at fault accident, "YOU DON'T HAVE TO BE A MILLIONAIRE TO BE SUED FOR MILLIONS" and the high deductibles will again keep the premium lower.</p>
80	<p>It is very difficult to ensure the <u>lowest</u> rate possible when adding youthful operators, however, one measure would be to add the youth as a driver to the lowest rated vehicle on the policy if more than one auto is insured on that policy.</p> <p>Coverage recommendations under a parent's policy might be to review for adequate limits of liability to ensure protection of the parents in the event of a lawsuit.</p> <p>Again, if possible, add the youth as a driver of a vehicle which requires no physical damage coverage i.e. comprehensive & collision as this will carry a major portion of effect on premium.</p> <p>If possible, it might be wise to have an older model vehicle (and not a sports car. Nor a small car) which would not require physical damage coverage. If possible, one should consider titling, registering and insuring a vehicle of this type in the <u>youth's name on their own</u>. I don't recommend two names on a title & registration i.e. parent & youth, or husband & wife as this opens the door to possible suit for each individual named.</p> <p>This scenario would free additional liability exposure of the parents. This option should be weighed against the additional cost of adding the youth to the parent's policy. At times this may be the most cost effective, however, it is the best protection for the parents from the liability standpoint. Sadly, in today's society, you do not have to be at-fault to be sued, merely being involved in a situation is enough. Inexperienced drivers are much more susceptible of which greatly increases the parents liability exposure.</p>
81	<p>To obtain the lowest rate possible, the teen has to take a certified driver training course. Allowing the teen to drive an older vehicle that does not require collision coverage will also help reduce costs.</p>

	<p>The most important coverage for a new driver is liability insurance. Parents should consider increasing their liability limit to \$2,000,000 or higher. Teens tend to drive with two or three friends in the vehicle and a higher liability limit protects the teen and their family in situations where most or all of the passengers suffer serious or fatal injuries.</p>
82	<p>Driver training not only makes teens better drivers but also saves a lot on premiums. Good Student discount for good grades (b average or better) in Pennsylvania adds another significant discount as well.</p> <p>As for coverage recommendations: The most likely driver in the household to have accidents is a teen driver. For that reason, most people need more coverage not less. The downside is the premium is usually triple what adult rated drivers pay. Most families I have dealt with have taken higher deductibles to lower premiums. I would never advise less Liability coverage for parents of Teens. Nothing but time helps.</p>
83	<p>I would suggest to parents that when they shop for a vehicle, they should contact their agent when they find something they are interested in and find out how high the symbol is on the vehicle. The higher the symbol, the higher the insurance will be. Foreign vehicles such as Toyota and Nissan tend to have higher symbols as well as a Ford Mustang and other sports cars.</p> <p>As far as coverage, I think that it would be better to have the highest limits of medical payments that the company allows. Also, I would suggest that the parents also purchase uninsured/underinsured motorists coverage especially in Ohio. Parents should carry a minimum of \$25,000.00/\$50,000.00 bodily injury and \$25,000.00 property damage. I would suggest higher limits, but this can become very expensive.</p>
84	<p>First, good grades. A "B" average or better usually gets a discount, and is a usual sign of a driver less likely to have a loss. Otherwise, take a deep breath, the premium will be tough. Age 16 drivers are far more likely to be in an accident. A good company is important at that point. Even though most believe they must have a car, most teens actually cannot afford the costs that go with it. Best bet is use the family car, hopefully a 1984 Buick.</p> <p>Second, at least what mom and dad carry. Even though teens are invincible, an accident can obligate their future income. Protect yourself; carry high limits because of the future liability.</p>
85	<p>Our agency promotes teen drivers safety by recommending to parents that they sit down with their teen and explain the following:</p> <ol style="list-style-type: none"> 1. How driving is a privilege, not a given 2. That teens respect the safety laws and always wear their seatbelts 3. That if a teen is in a compromising position, that there always be a designated driver on call, either a parent or friend <p>Absolutely NO DRINKING WHILE INTOXICATED</p> <ol style="list-style-type: none"> 4. That the teen understands that the parents could lose their insurance completely if the teen does not exercise proper driving safety 5. That there never be more that three people in the car at any given time. <p>All of these tips can help to avoid teen accidents, which can keep rates lower for the family.</p> <p>In terms of limits of liability, for new drivers added to the policy, we</p>

	<p>would recommend 250/500. A new driver is always a higher liability risk and parents need this added protection. They should also think about an Excess Umbrella Liability policy for added protection.</p> <p>The key here is to help your teen understand that they are now old enough to be behind the wheel of something that can hurt or kill someone, including themselves. It is important that they understand that driving is a privilege and that they determine the future of insurance premiums.</p>
86	<p>Parents need to be parents (not buddies). They need to help teach their children driving and they need to teach them responsibility. Unfortunately, 15 1/2 is late to start the responsibility part. They also need to follow up when the child has an accident or gets a ticket. Who's fault was it? If it is always someone else's fault you cannot teach responsibility. Coverage is a matter of economics. How much can the family afford. Money is money and pay what you can.</p>
87	<p>Our office would recommend teen drivers complete an approved Driver Training course which offers the required number of hours behind the wheel combined with classroom instruction. This would provide the lowest possible rate. Personally, I recommend the parent sets up an appointment with their Broker to bring the new teen driver into the office to be advised of the hazards of peer pressure, how convictions can affect the premium they pay etc. By adding the new teen driver to the parents policy as an occasional driver they must be added for the same coverage the parent carries.</p>
88	<p>Each state is different, so you need to separate your responses...in N.C., the rate is slightly lower if a teen doesn't have his/her own car and is listed as an occasional driver/ not primary. Also, we usually recommend that the young driver be added to the parent's policy, b/c if their record is good, they are already getting the better rate.... we always recommend high limits of liab (min 100/300/50 incl U/UIM) even though the rate is higher for the first 3 yrs..... and most importantly, the parent must encourage good driving habits and set good examples of driving behavior...</p>
89	<p>Keeping youthful operator rates low:</p> <ol style="list-style-type: none"> 1. 3.0 GPA - good student discount 2. Fewer drivers than cars in the household 3. If a car is purchased for the young driver, check insurance costs first. High performance and high value cars are a mistake. 4. Bigger is better and usually cheaper. Larger cars afford more protection in the inevitable accident. Additionally, an old beater luxury car will generally be cheaper to insure than a newer, small car.
90	<p>Many of the problems with rates for teen drivers are out of the control of the parents and the insurance agent. The teen driver in Pennsylvania is and must be included as a RATED DRIVER in the household as soon as he or she obtains a learners permit. That is due to ACT 10, the law that covers auto insurance in Pa.</p> <p>The very first thing that needs to be done to keep insurance rates lower for the teen driver is to have them complete a CERTIFIED DRIVERS EDUCATION PROGRAM. Both classroom and on the road training. Next is to encourage the teenager to improve grades so they qualify for good student discount. State Farm, my company, gives a 15% discount for good student and only 10% for drivers training. But the two of them together total a nice 25% discount. The last thing is keep the teen driver as an occasional driver, do not give them a car for their full time use. The rate is much higher</p>

	<p>for a primary driver than for an occasional driver. I would also suggest increasing deductibles for Comp and Collision coverage's, what they save can help offset the increased cost of the young driver. Last, and maybe most important, is have the teen driver PAY FOR THE INCREASE IN PREMIUM whatever it is. This will help to make him or her more conscious of the cost and responsibility of driving. They must also understand the additional costs in the way of surcharges if they do have at fault accidents.</p> <p>The second part of the question is really a trick question. The coverage's should be whatever the parents need to cover their assets. Pure and simple, if the teen driver kills or maims someone with the parent's vehicle the parent is responsible. And their home, savings and investments are at risk if there is not adequate liability insurance. Each parent that has teen drivers should have a personal liability umbrella policy. In short, they should increase their liability coverage NOT decrease it.</p>
91	<p>I appreciate the opportunity to reply to your question.</p> <p>First of all, it has been our experience that many parents feel the need to provide their children with the best vehicle they can for their children when they reach driving age. A lot of the time the children are in a vehicle with a higher price tag than the parents. While we are not admonishing someone for doing all they can for their children we see too many inexperienced children behind the wheel of expensive, fast, and large vehicles...that is a recipe for disaster.</p> <p>Any parent should consider the safety features of the vehicle, such as airbags etc. The primary factor is inexperience compounded by a vehicle with more power than most youngsters can handle.</p> <p>I remember vividly two instances where parents purchased for a newly licensed child a brand new Porsche 944 turbo, when they heard the price of the insurance they screamed loudly about the cost.</p> <p>Another bought their son a new Camaro with the hot package to it...again, another screaming tirade. I wonder if they screamed at the car salesman the same way. In both instances accidents occurred, fortunately not serious, but it sure could have been.</p> <p>We would suggest that a parent buy for the child, if they feel that the child needs their own car, own with a good safety record and one that would allow the child to develop some skills at driving. A good friend of mine and customer bought his daughter a new car, she was 15, she was at an intersection with major highway. She gets the green light and immediately took off and turned left. The truck driver coming through the intersection did not ever hit his breaks and drove right over the top of her vehicle. How she escaped with no injuries is beyond me. But the inexperience showed here. When I get a green light I look to see if someone is coming... fatalities in our business cause me a lot of grief. In 30 years I have seen too many.</p>
92	<p>Normally a new driver can get the best rates by being added to parent's policy. Some people have thought it was safer if they had their own policy but the parents will be sued anyway if the child is a dependent. We encourage the highest liability limits possible as new driver do have wrecks. We also encourage purchasing an umbrella policy that is a personal liability policy for 1-5 million on top of what is in the auto policy. I currently have a case pending with three badly injured teenagers who have had several surgeries and months of therapy that is going to use up the</p>

	limits of the auto policy and probably most if not the entire umbrella. I had pushed the parents to purchase the policy only a few months before the accident.
	Would recommend that when parents are purchasing a unit for the young driver, they purchase one that will require liability only. The comp. and collision can be expensive for the young driver. Also I would recommend that the parents maintain the same liability limit that they carry for the young driver.
93	Stress the fact that their driving record is the #1 greatest factor in obtaining the lowest possible rates. We recommend that if the teen driver has full access to one car, that it be titled and insured in his/her name making it their total responsibility. We're not believers in "minimum liability limits" as some companies advertise because a serious lawsuit could have that teen driver paying for years and years.
94	1. Look at the vehicle the teen will be driving & make sure it's a good sized, safe vehicle (not an old junker with bad brakes& faulty equipment, but not a new Corvette or sports car or a SUV that is susceptible to rollovers.) 2. Be sure to add sufficient liability coverages (as much as you can afford!!) due to inexperience of the operator as well as add medical payments coverage for passengers & driver & uninsured/underinsured coverages. Include comprehensive & collision if the year of the vehicle warrants.
95	The number one thing parents can do to assure favorable rating on their youthful driver is to stress the importance of not getting any tickets or accidents. Many, if not all, insurance companies not only apply the SDIP points to the already higher inexperienced rate, but also place that vehicle and driver in the NCRF - which already has higher rates. If a family only has one car this could increase their premium by 50% to 250%. The cheapest way to insure a youthful driver with no tickets or accidents is to put them on the same insurance policy as their parents enabling them to take advantage of all the parents discounts. Of course the less coverage you have on a vehicle the cheaper the insurance. Before I personally would let one of my policyholders reduce coverage to save money on an inexperienced driver I would spend a lot of time explaining the Liability issue with them. If they leave that vehicle in their name they are liable for any damage regardless of who is driving. Until the driver gets their first violation, I only recommend they get their own insurance on a vehicle titled to them if their parents have a lot of assets to protect.
96	Have the parents purchase as much BI coverage and PD coverage as possible to protect them from law suits arising from at fault accidents, 500/500 comp/ coll deductibles and have children take drivers Ed course and maintain a 3.0 GPA, some companies offer a good student discount.
97	The basics on teen driving preparation have never changed and they have resulted in recent legislation is several states for "graduated licensing". Although the details vary, the focus is quite simple - teens need to have a long driver training experience with responsible adults (parents); must have driving hours limited; must do a minimal amount of night driving; must always wear seatbelts; must never allow more occupants in the car than seatbelts allow. I suggest to parents that they spend at least 50 hours as

	<p>their child's driving coach. I recommend they have the child drive through fast-food drive-throughs as part of the training (since that is where the child will drive after licensing). I recommend taking the child under supervision on a vacant, snow-covered parking lot for specific instructions on winter driving safety.</p> <p>Modern vehicles create false senses of stability and safety that mask the true speed of travel. I ask kids if they can change a CD in 6 seconds - some say yes, some say no. I explain that at 35 MPH, the car travels the entire length of an American football field in those 6 seconds. I ask them to think about traveling that far...without looking out the windshield.</p>
98	<p>Parents should have the child take driver training in the high school and take a defensive driving course for a total of about 25% discounts. Since the vehicle would be added to the parents policy liability coverage will have to be the same as the other vehicles on the policy.</p>
99	<p>The teen driver should take a Recognized Driver Training course in order to obtain the best possible rating. It may be possible to exclude the teen from driving certain vehicles (expensive or high rated) in the household (using endorsement form OPCF28a) and drive only the lower rated or older vehicle. If the teen is being added to the parent's policy there are no additional coverages required.</p>
100	<p>I always recommend high limits of liability for the policy w/ the new driver. As far as rates, the best thing is good grades in school followed by keeping driving record clear. I like to meet w/new drivers at time we add them to policy to impress upon them the importance of prudent driving.</p>
101	<p>My agency is in Florida. We recommend that the teen driver participate in some type of driver training school, which will give credit on the policy, not to mention is provides needed instruction to the teen. Also, it helps if the teen is a "good student", which means a B+ or better in all studies.</p> <p>If the teen were provided with his own vehicle, the cost of the insurance would be reduced if the vehicle were an older model that would not require physical damage coverage.</p> <p>We never recommend that the teen carry different liability limits from the parents, until the teen moves out of the house and has a vehicle titled in his/her name.</p>
102	<p>There are a number of things that affect the rates for teen drivers. First, rate should not be the primary concern, coverage should be. Keep in mind that teen drivers, as minors, still hold their parents in a vicarious liability position, meaning the parents are usually held responsible for the actions of their teen. This is particularly true when the vehicle driven must be titled in the parent's name. Higher limits of liability are then necessary to protect the assets of their parents. We recommend that a personal umbrella policy be purchased, in addition to the liability limits necessary to purchase the umbrella. To reduce costs, purchase a vehicle that does not have to have comprehensive and collision coverage. The teen can then be listed as the primary driver on the "Liability, medical payments and Uninsured Motorist only" vehicle. This reduces the surcharge on the physical</p>

	<p>damage portion of the policy.</p> <p>Adding the teen to the parent’s policy gives the teen driver a discounted rate for a couple of reasons. The teen would qualify for a multi-car discount, assuming the parents have another vehicle on the policy. In addition to this, rates for the parents, even with the addition of a teen driver, would be more competitive than those carriers charge to insure the teen driver separately.</p> <p>Apply for other discounts available such as driver's training and/or good student discounts. Most insurance companies offer these discounts as those with prior training and good grades (B average) have demonstrated safe driving habits that in the end means fewer claims.</p>
103	<p>(1) One thing I see constantly is that parents go out and buy these inexperienced driver's a brand new car (usually a higher performance car too). This inflates the cost dramatically because of the additional coverage's of OTC (Comprehensive) and Collision. My recommendation is to buy the child a car that is used, but in good shape. Good cars are plentiful that are 5 years old or older. Put just liability & property damage on the car & driver. After their first few years of driving (especially if they keep their records clean) then they can upgrade their vehicle.</p> <p>(2) Coverage's that I would recommend in addition to those that I mentioned above would be to purchase above normal liability limits. This will result in some additional costs, but in the event of an accident with injuries or damage, you as a parent want to make sure that there is enough coverage to take care of claims. When an insurance company fulfills their obligations (even to the point of a policy being maxxed out), then the claimants will turn their attention to the parent's and here goes the lawyers! On that note, it would be feasible for the parent's to investigate the possibility of a liability umbrella for further protection from litigation.</p>
104	<p>To ensure the lowest rate possible for their teen they should make sure their first vehicle does not require comprehensive and collision as these coverage's make up the majority of the premium with youthful drivers. Also, make sure the teen has taken a driver safety course and have a B average or better in school. All of these will help keep the premium down.</p>
105	<p>Although we are an insurance company, not an agent or broker, I am a licensed agent and a parent and grandparent. What parents can do to ensure the lowest rates possible, but more importantly save their teenage driver's lives, is insist upon safe driver training and then monitor their teenager's driving habits and crack down on them if they violate the parent's trust. As to coverage, that follows the car, not the driver. If the teens are driving the parent's car, no changes in coverage need be made. If they are getting their own car, get them a safe vehicle and insure it for the same limits and coverages as the parent's own cars are insured for liability and according to the car's age and condition for physical damage.</p>
106	<p>For best pricing. DO NOT put the teen on a separate policy with lower BI limits. Call at least three companies for quotes. Companies want drivers with some "on the road experience". While having more BI coverage on a teen costs extra, THEY ARE your biggest financial liability while driving.</p>
107	<p>Since we are operating from Massachusetts, many of the following suggestions may not apply to</p>

	<p>other States because our rates are set by the State.</p> <p>1) Complete a certified Driver Training Program.</p> <p>2) If the child is to be listed on your policy be certain to increase your Bodily Injury Coverage to a minimum of \$100,000/\$300,000 coverage and the Property Damage coverage to a minimum of \$100,000. (We know that on average for the first 3 years of driving, there will be an accident ration of 82%). Protect your assets.</p> <p>3) If the child is to purchase his own vehicle I would suggest the same coverages as above even though the premiums for the first 3 years are extremely high in order to protect the child from claims that may exceed the minimum coverages. Remember that a lien can be placed on this driver which will last up to 20 years and we don't know what assets that child will need to protect in the future.</p> <p>4) Be a responsible parent. Make the rules for driving this vehicle well understood by the young driver and apply those rules. His life and mine may depend on you.</p>
108	<p>That they have good student discount.</p> <p>I always advise the parents to buy an old "beater" car one that just needs liability because with the trend of the kids today about 80% of them are having an at fault accident the first year and at least they are not totaling out the family car.</p>
109	<p>1. What can parents do to ensure the lowest rate possible when adding their new teen driver to the policy?</p> <p>ANSWER</p> <ul style="list-style-type: none"> * The child should attend a driver training program for premium credit * The child should maintain good grades, "B" average or better * Do not buy the child a car of their own, allow them to drive a parent's car on an occasional basis * If the child IS provided a car buy an older car that won't need collision coverage * Add the child's car (if they are supplied one) to the parent's policy. Do not write a separate policy * Monitor the child's driving record. <p>2, What coverage would you recommend for the new teen driver?</p> <p>ANSWER</p> <ul style="list-style-type: none"> * Coverages for the child are the same as the parents. The decision on how much coverage to purchase should be made before the child is licensed.
110	<p>Good Student Discount - 3.0 or better</p> <p>Drivers Ed Training</p> <p>4-door Sedan old enough not to require physical damage</p> <p>Drive to school 3 miles or less or take the bus</p> <p>Same liability limits are the parents. You cannot write a separate policy for a 16 year-old. They are not old enough to be on the title. Even if you could, the parents can still be sued.</p>
111	<p>The parents should encourage that the student maintain a "B" average in school. This will generate in range of 15% credit on vehicle the child is assigned. The coverage carried by the young driver should be the same as parents since student will be driving vehicle registered to parents.</p>
112	<p>Enroll the child in an approved driver education course and encourage graduation from it.</p> <p>Encourage the child to obtain a "G" license as soon as possible.</p> <p>Recommend speed reduction and safe following distances.</p> <p>Enroll children in the "I Promise Program".</p>

113	The parents need to keep the child as a restricted driver or purchase an older model vehicle that would not need comp. & coll and rate the child on that vehicle. We would also recommend the child's coverage should match the parents highest coverage amount.
114	Lowest possible rate- Take Driver Training and make sure the kids have a B average in school. If the parents buy them a car- it should be an older model and not a sports car. Coverage's would be high deductibles for comprehensive and collision and high liability limits.
115	<p>Lowest Rate: encourage your children to maintain a grade point average of 3.25 or better, many companies offer a good student discount up to 10%, check on the insurance symbol and rating for a vehicle before your child purchases a vehicle, make sure you have all the credit available: group, good credit score, multi-policy, good student.</p> <p>Coverage: Limits of liability equal to the parents, 300,000 single limit or higher, \$300/\$300/\$300 split limit or higher, do not allow your child to purchase the state minimum limits of liability (\$20/\$40/\$10). You and your child can be sued and it is wise to carry good limits of liability.</p> <p>Deductibles: Comprehensive \$100 and Collision \$500 Broad Form.</p>
116	<ol style="list-style-type: none"> 1. Parents can enroll their child in a Driver Training Course prior to licensing. Parents could also increase the vehicle deductibles and or lower Third Party Liability limits (not recommended). 2. At the very least, \$1 Million Third Party Liability and SEF 44.
117	The best thing a parent can do when adding a driver that is young is to shop the policy. They should let the child do the shopping which teaches the child what the cost of insurance is and the coverages afforded on a policy. They should call all three major direct writers and at least three independent insurance brokers for a quote. The cost to insure a young driver varies by company. Some have the premium so high it makes the parents think twice of even letting the kid ever get a license. By letting the kid shop the insurance is a good teaching tool and the kid will know how much it means to have a license.
118	<ol style="list-style-type: none"> 1. Make sure they have an accredited Driver Training Certificate of course, make sure they get their G level license as soon as the ministry will allow them, that is if they have G2 for 8 months, and then are eligible for G test, they should go for it. The G level license ensures better ratings sooner! 2. With respects to the coverages, full coverages are always the best and parents should probably have all perils as opposed to collision and comprehensive as this apparently protects the parents if the children "take" (read: steal) the parents' car without permission, whereas if there is coll and comp, no coverage would be afforded. Bit obscure. 3. This one should probably be number one on our list, use your head, use common sense. NEVER bend to peer pressure. NEVER ever even think about drinking and driving and don't get in a car with anyone who has been drinking. Realize what you have. The privilege of driving is just that, a privilege. Treat it as anything less and it will not be an option for you for a REALLY long time. 4. REMEMBER, insurance is statistically driven. Statistics don't lie, as a new driver you are BY FAR the most likely to have an accident of another group. New males are the highest at risk with females only slightly less so. Further, if you have one accident, you are 60% more likely to have another within 3 years. Serious stuff to be sure. Take it seriously.
119	<p>The only thing parents can do is to ensure that the child has taken an authorized driver training course. This allows them an automatic 3-year credit.</p> <p>I say "authorized" because in the past we may have received notices that only certain certificates will be accepted. So far, I have not had anyone declined so the child must have 25hrs in class and 8 hrs on the road.</p> <p>We can have a discussion with the parents regarding which vehicle the child will mostly drive and</p>

<p>perhaps steer them into the direction of the lowest rated car.</p> <p>Parents need to realize that in most cases if you have 3 cars and now 3 drivers, that your child is going to be rated as the main driver of one of them. Also, when adding the child, discuss with the parents that there is a lower rate if the child is attending school away from home. Some of our clients have children attending high school away, not just university.</p> <p>If you are buying the new driver a car we can talk about some rates on various vehicles, remembering that the greatest portion of premium is in liability and accident benefits, not collision.</p>
