

[Finding the best car insurance for teens](#)

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When parents of a teen first watch their baby take the wheel, they may be too busy seeing the years flash before their eyes to focus on insurance for the family's newest driver. Putting a new teen driver on the road can be scary — and expensive. "Aside from the insurance aspects, parents need to appreciate their role as the risk manager for their teens who drive," says Greg Serio, managing director at Park Strategies LLC, who is also a former insurance commissioner of New York. Limiting a teen's hours of operation, restricting the number of riders in a car, and prohibiting the use of cellphones or texting devices (which can be double-checked through the cell service bills) are all ways a parent can prevent or mitigate risks."

Adding a teen driver to an auto insurance policy

Some auto insurance companies will want you to add your teen when he gets his learner's permit; others will wait until he has his license. It's important to call your agent to check.

Ray Crisci, senior vice president and worldwide automobile manager for Chubb Personal Insurance, warns parents that they may not be covered if their teen gets in an accident before they have been officially added to the policy.

"My best advice is to call your agent or insurance provider when it's time to add a teen driver to your auto insurance policy. This is important because some insurers (but not Chubb) have a drop-down provision in their policies that limits coverage for operators that are not listed on the policy," says Crisci. "You should tell your insurance agent as soon as your teenager gets his/her permit."

Now down to the nitty gritty — choosing coverage.

Corrin S. Trowbridge, owner and broker at San Francisco-based Farmers-Trowbridge Insurance, who has helped many parents add teens to their policies, says that parents need to think big when deciding how much coverage to buy.

Trowbridge explains that families with teenage drivers need high liability limits because teens are among the riskiest drivers on the road, and if they cause an accident, the injured party can come after the parents' assets. You're not buying higher limits for your teen's assets — you're buying the higher limits for your own protection.

He notes that if parents raise their coverage levels and raise their deductibles, they may not add to their overall premium cost. The deductible is the amount you must pay out of pocket if you have a collision or comprehensive claim. When you raise your deductible, your premium goes down.

Insurance costs for a teenage driver

Many parents are already operating on tight budgets. The initial cost to add a newly licensed teen driver can be as much as three or four times what an adult driver would pay, says Crisci.

The high premiums reflect grim statistics: Drivers ages 16 to 19 are three times more likely than drivers age 20 and older to be in a fatal crash, according to the Centers for Disease Control (CDC).

Their chance for car crash injury is significantly out of proportion. Drivers age 15 to 24 make up 14 percent of the U.S. population but account for 30 percent of the costs of motor vehicle injuries among males and 28 percent of the costs among females.

“The cost will generally steadily decrease as the teen driver ages, gaining additional driving experience and maturity,” says Crisci.

Squeaking out auto insurance savings

Ask your agent to review discounts you, and your teen, might be eligible for, such as a loyalty discount, accident-free discount, good student

discount and occasional operator discount if your teen goes away to school some part of the year.

Crisci says parents usually have to take the initiative to find out what the discounts are in order to take advantage of them.

Discounts vary considerably by type and amount among insurers. Insure.com has a tool to help you identify car insurance discounts available in your state.

Trowbridge also advises parents to add their teen to the policy on the family’s oldest car.

“They should still be able to drive any car in the household, but you want to have them rated driver on the least expensive car in order to save money,” says Trowbridge.

Amy Bach, executive director at United Policyholders, a consumer advocacy group, also advises parents to check with their insurance company to see if it is cheaper to have a separate policy for your teenager or to add him or her to your policy.

“A parent’s own driving record impacts their auto insurance costs, so comparison shopping to insure your teen should include looking into buying a separate policy for the teen versus adding them to your policy. And especially if your current car insurer isn’t giving you a loyalty discount, you can switch the family or you and your teen) to a different insurer — if you find one offering quality coverage at an affordable rate,” says Bach.

If you’re buying a vehicle for your teen, picking the safest vehicle possible is also a must.

“If the teen driver will be getting a vehicle, it’s best to pick one that has the latest safety features, including stability control, which has been proven to reduce single-car accidents. Parents should focus on cars that are big, slow and safe,” advises Crisci.

Getting started

Chubb has teamed with the Insurance Institute for Highway Safety to offer a video about Young Drivers: The High Risk Years.

Setting rules is important. The CDC offers a parent-teen driving agreement.

Money-saving tips for adding a teenage driver to insurance

Mitigate your own risk by limiting the time the teen is behind the wheel and the number of passengers.

Ban cellphone use while driving. Preventing a crash protects your insurance rates.

Call your agent to find out when your teen driver must be added to your policy – when he has a permit or when he has a license.

Raise your liability limits, but also raise your deductible to offset the premium increase.

Find out whether it’s cheaper to put your teen on his own policy or add him to the family policy. Your agent can run the rates for each scenario.

Be proactive in asking your agent to look for car insurance discounts for you.

Have your teen rated on the oldest car in your household.

If you’re buying a vehicle for your teen, pick something big and slow, with the latest safety features.