

Insuring Teen Drivers

If you've ever seen a young driver in a hurry, blasting the stereo and distracted by a rowdy carload of friends, then it's easy to believe that one out every four college students has been cited for committing a moving violation. Insurers are quick to point out that, statistically, 16- to 24-year-olds are the riskiest drivers on the road.

It's possible that your insurance company will not require you to list your teen on your policy until he or she actually receives a license to drive alone. This could save you money during the period that your teen has a learner's permit and can only drive with a licensed adult.

Many parents cringe when they learn what it will cost to insure their teen drivers. But there may be a way to reduce those sky-high premiums. If parents drive expensive cars, their premiums will increase greatly once the insurance company factors in a teen driver — primarily because those pricey cars would be expensive to repair. In the long run, it could be cheaper to buy a used economy car and insure it with a separate policy in the teen's name. The teen's policy would be even more affordable if it did not include collision and comprehensive coverage.

If a college student takes a family car to a campus that is out of the area, parents should notify the insurance company. The change in garage location could also affect the premium. If the student owns the title on the car, he or she will probably need an individual policy.

There's a lot for mom and dad to think about when a teen slides in behind the wheel. Knowing the options may help parents deal with the extra costs — and stress — waiting for them down the road.