

Insurance Tips from HSH

HSH Insurance

"Teenage Drivers"

from Big "I" Virtual University

Inexperience and immaturity make it much more likely that a teenage driver will have an accident than an adult driver. A driver in the age group of 16-19 is FOUR times more likely to have an accident than an older adult and TWICE as likely to die in an auto accident (in some states, a 16-year-old is TWENTY times more likely to have an accident than an older adult). A 16-year-old is THREE times more likely to have an accident than someone 18-19 years old. OVER ONE-THIRD of all deaths in the 16-19 year old range are due to auto accidents.

From an insurance standpoint, it is more expensive if your child has a vehicle driven primarily by them. Consider not getting your child his/her own auto and letting him/her drive a family car. If you insist on providing him/her with an auto, consider buying an inexpensive, but reliable, used car. Anticipate at least one or more fender benders. In general, you are better off not buying collision insurance and reporting these minor claims...an increased claims frequency can result in higher premiums or non-renewal.

Unless it is impossible, do not insure your child's auto under a separate policy. It is almost always advantageous, from a pricing and coverage standpoint, to have your child's auto on your policy. In addition, since statistics show conclusively that teenagers have a higher claims frequency and severity, make sure you have a personal umbrella policy with at least a \$1 million limit. The cost can be as low as \$150, but could be as high as \$300 or more. Still, it's a bargain to protect yourself and your assets from catastrophic loss.

Have your child complete a driver's education program. That can reduce your premium by 10% or more. If applicable, ask for a "good student" discount. If your child's grade point average is a "B" or better, you could get a discount of 10-20% or more.

MOST IMPORTANT, practice sound loss control. When dealing with teenage drivers, preventing accidents is more important than relying on insurance to fix things. Insurance can replace your vehicles and pay for broken bones, but it can't replace the most important thing in life...your child. So, consider the following:

Talk seriously to your child about the dangers of driving, including driving under the influence, horseplay, etc. Use statistics from web sites such as www.iii.org to impress upon them how dangerous driving can be.

Consider prohibiting your teen from transporting more than one passenger...some state graduated licensing laws may require this too. Reckless behavior is directly proportional to the number of teens in a vehicle. By limiting the number of passengers, you reduce the chance that peer pressure and dares might result in your child taking foolhardy chances.

Consider having your child sign a "contract" similar to the one at <http://www.parentingteendrivers.com> if anything, it will get his/her attention. Driving is a privilege, not a right. If your child violates your rules or the rules of the road, take that privilege away from them until they can demonstrate that they understand the seriousness of this responsibility and the possible consequences of their actions.

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