

Saving Money on Your Insurance

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TEXAS COMMISSIONER OF INSURANCE

Teen-Agers and Car Insurance

AMONG THE MOST frequent callers to the Texas Department of Insurance's toll-free Consumer Help Line are parents whose teen-agers have just begun to drive.

Here are answers to some of the most commonly asked questions about car insurance for teen-age drivers.

My teen-ager has just begun to drive. Do I have to tell my insurance company?

It's wise to tell the company as soon as your youngster starts driving. Your policy covers your child's accidents even if he or she is not named on your policy. If you don't notify the company, and it later learns you have a teen-age driver, it will bill you for the additional premium you should have paid. The company might also refuse to renew your policy because you withheld information needed to set the correct premium rate.

Can the company refuse to renew my policy because my child has reached driving age?

No. Texas law prohibits refusing to renew an auto policy just because of a covered person's age.

My 18-year-old is leaving for college. Wouldn't it make sense to drop her from our policy to cut our premium?

Technically, you could add a "named driver exclusion" that would drop her from the policy. However, few insurers will agree to this. Moreover, it's very risky to drop coverage because your teen-ager might occasionally drive at school or when home on visits.

The premiums for my teen-ager are killing me. Is it a good idea to buy him a separate "nonowner" policy and specifically exclude him from my policy?

Not usually. Nonowner policies just provide additional liability insurance when driving somebody else's car. If your teen-ager has an

accident in your car, neither your policy nor the nonowner policy will pay for your vehicle's damage. As a parent who could be held liable for a minor child's accident, you might be unprotected financially. Finally, a properly rated nonowner policy could cost as much as leaving your child on your policy.

The insurance company says my teen-ager's high rate has to be applied to our most expensive car. Is that true?

Not necessarily. The rules on this are complex and address a variety of scenarios. Generally, if a teen-ager is the principal driver of a particular car, his or her rate goes on that car. If not, the teen-ager is assigned to the car (usually the most expensive) that produces the highest rate.

With a teen-age driver in the house, it's important to cut our insurance costs as much as possible. How can we do this?

Visit the Texas Department of Insurance Web site at

www.tdi.state.tx.us

or call

1-800-599-7467

for our *Auto Insurance Rate Guide* for your county. It compares sample rates for various drivers, including teen-agers. Shop around for companies that offer special discounts to students who make good grades or are members of certain youth organizations. Some companies also offer discounts when a young driver is away at school without an automobile.

For more information on car insurance, including insurance for teen-age drivers, call TDI at

1-800-599-7467

for our brochure, *Automobile Insurance Made Easy*. The publication also is available on our Web site. ★

Editors:

- *If you need further information, call:*
**Texas Department of Insurance
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(512) 463-6425**

We welcome your questions and suggestions about this column.