

Think you are Ready to Drive? – Insurance Tips for Young Drivers

Most teens can't wait to earn the privilege to drive alone and away from their parents' protective eyes. But allowing your teen to drive alone can bring with it risks. Statistics show that teenagers are at the highest risk of a crash or injury during their first two years of driving. Lack of experience and driver error caused by distractions, such as talking on a cell phone, sending or reading text messages, conversing with passengers, smoking, eating or listening to music, are two major causes of crashes involving teens. Purchasing insurance can help protect you and your teen financially.



Did you know that lack of experience, combined with any driving violations, can greatly affect your family's auto insurance premiums?

Parents may add their teen driver to their policy by listing them as a driver or, if the parents' name(s) are listed on the title of the teen's vehicle, by adding the vehicle to their policy. Either way, the bottom line is this the parents' rates will increase.

WHAT AFFECTS AUTO INSURANCE COST

Rating factors are characteristics that place you within a group of drivers with similar risk-related characteristics. Insurers set rates for each group based on the claims paid for the policyholders in that group. Some common rating factors include:

- ✓ Driving record
- ✓ Age (**As young drivers haven't yet had the time to accumulate a safe driving record, their insurance rates, as well as their parents,' will be affected by both age and driving record.**)
- ✓ Sex (**Young males up to age 26 generally pay higher rates than same-aged females.**)
- ✓ Address or zip code where the vehicle is primarily garaged
- ✓ Vehicle. The make, model, year and value of your vehicle can affect the premium. Generally, sports and high performance cars cost more to insure.



Insurers may consider more than one factor when determining your rate. For more information about factors that may affect your rates, please read the Maryland Insurance Administration's "Consumer Advisory: What Factors Can Affect My Automobile Insurance Rates", which can be accessed at <https://insurance.maryland.gov/Pages/newscenter/NewsDetails.aspx?NR=2013150>.

97% of teens say texting while driving is dangerous, but 43% admit to doing so anyway.



INFORMATION ABOUT THE BENEFIT TO DRIVE FOR YOUNG DRIVERS

- If you have a provisional license and are under 18 years of age, state law prohibits you from:
 - using a wireless communication device while driving,
 - driving between the hours of midnight and 5 a.m. unless: you are driving to, from or during work, a school sponsored event, an athletic event or training session, or an organized volunteer activity; or are accompanied by licensed driver who is at least 21 years' old that has driven for three or more years and is seated beside you; or having a passenger under the age of 18 unless you are accompanied by a licensed driver who is at least 21 years old, has driven for three or more years, and is seated beside you.
- If you are 18 years of age or older and have a learner's instructional permit or a provisional driver's license, you may not use a handheld telephone while operating a motor vehicle.



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➤ To be eligible for a full driver's license, a driver cannot have a conviction for a moving violation in the past 18 months while on a provisional license.

➤ If you are under 18 in Maryland, a parent, guardian or other qualifying adult must cosign your driver's license application to allow you to drive. Remember, a cosigner can write a letter and withdraw his/her consent, allowing the MVA to suspend your license.

- Police officers are authorized to stop and detain anyone if they reasonably believe the individual is, or has been, driving or attempting to drive a motor vehicle while under the influence of alcohol (blood alcohol concentration of between 0.04 or 0.08), drugs, controlled dangerous substances or driving while intoxicated (blood alcohol concentration of 0.08 or higher).

TIPS FOR REDUCING AUTO INSURANCE PREMIUMS

Here are some tips to help teens maintain lower rates:



- ✓ **Keep a clean driving record.** Drivers with accidents and moving violations usually pay higher premiums than those with clean driving records. For example, if you have more than one at-fault accident in less than three years or if you are convicted of any moving violation, your insurer may choose to raise your premiums, non-renew your insurance policy or exclude you as a driver from the policy, which allows your parents' premium to stay the same, but prohibits all recovery if you operate the insured vehicle. If your driver's license is suspended or revoked, your insurer may cancel the policy. If you are covered under your parents' policy, your driving record will affect their insurance policy.

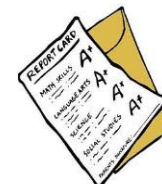
- ✓ **Carefully choose the vehicle you drive.** Certain vehicles cost more to insure because they cost more to repair, are more likely to be damaged in an accident or are stolen frequently. If you own a sports or other high performance car, you may pay a higher insurance premium.



- ✓ **Drive a vehicle with safety features.** Some insurers offer discounts for items such as air bags, anti-lock brakes, automatic seatbelts and antitheft systems.

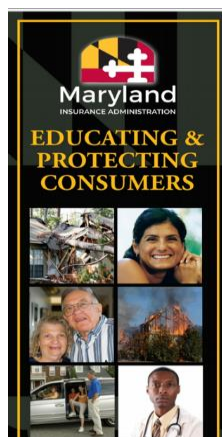
- ✓ **Maintain a good credit history.** Insurers may consider your financial stability and charge higher premiums based on your financial status (i.e., credit card history, amount of credit, how timely you pay your bills, etc.).

- ✓ **Keep your grades up.** Some insurers offer a discount to young drivers who maintain good grades, such as a "B" average or better.



For more information about reducing auto insurance premiums please read the Maryland Insurance Administration "Consumer Guide to Auto Insurance for Teen and Young Adult Drivers", which can be accessed at:

<https://insurance.maryland.gov/Consumer/Documents/publications/teenautoinsguide.pdf>



The Maryland Insurance Administration (MIA) is the state agency that regulates the business of insurance in Maryland. If you want to learn more about Auto Insurance for Teens and Young Adult Drivers, the MIA's Guide to Auto Insurance for Teens and Young Adult Drivers is a good first step, <https://insurance.maryland.gov/Consumer/Documents/publications/teenautoinsguide.pdf>

If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. The MIA can investigate complaints that an insurer or insurance producer has:

- ✓ Denied or delayed payment of all or portions of a claim
- ✓ Improperly terminated your insurance policy
- ✓ Raised your insurance premiums without proper notice or in excess of what the law allows
- ✓ Made false statements to you in connection with the sale of insurance or the processing of insurance claims
- ✓ Overcharged you for services, including premium finance charges

Contact the Maryland Insurance Administration at: 410-468-2000 800-492-6116 800-735-2258 TTY

Maryland Insurance Administration • 800-492-6116 • www.insurance.maryland.gov