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Teen driver at home? Here's how to keep insurance costs down



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Boys are riskier drivers than girls because statistics show they are more likely to speed, not use seat belts, drive while intoxicated and not recognize hazardous situations. (Photo: Ekaterina Pokrovsky/Shutterstock)

My younger child is 16, and my friends keep asking if he'll get his driver's license soon. I laugh and say, "We can't afford to insure him." They think I'm joking, but I'm not. My daughter got her license the day after she turned 16 and she doubled our insurance rates. My son hasn't pushed for his license and we're not pushing him either, because these days we're awash in college bills. And we would rather he drive when he's ready. If that's 17 or older, that's better for our bank account. And the planet.

Why are teens so expensive? Statistics. Insurance companies calculate premiums based on the risk of an accident. The greater the risk, the greater the chance of a claim, and teens are the riskiest drivers in the world. According to the Centers for Disease Control and Prevention, [car accidents are the leading cause of death](#) for teens ages 16 to 19, who are three times more likely to be involved in a fatal crash than people ages 20 and older. Boys are riskier than girls for a number of reasons, including not recognizing hazardous situations, speeding, not using seat belts and driving while intoxicated. No wonder our rates skyrocketed when we [added our teen daughter to our policy](#).

If you're trying to live within your means like we are, here are a few tips for keeping insurance costs down and reducing your carbon footprint. Make it a family conversation. Your kids will appreciate your perspective eventually.

Require decent grades. Many insurance carriers offer a discount for high school and college students earning a grade point average of 3.0 and above. Statistically, [good students](#) are less risky, so propose good grades as a motivator for the privilege of driving the family car. We're saving \$84 a year on our daughter, which isn't a ton, but multiple kids add up. You could save 15-20 percent. Consider charging your teen the difference if he's a slacker student.



Signing up for a driver's education class could save you money on your car insurance premium. (Photo: michaeljung/Shutterstock)

Sign up for a driving class. Our state requires driver's education for students under 18 to qualify for a license (many states do) and for good reason: Statistically, students who take [driver's ed](#) are better prepared for the road and are less likely to have an accident. Some students can take driver's ed in school for a small fee, though many schools have phased it out and private driving schools have taken over. They're not cheap (ours cost \$400 for a 6-week course), but they'll likely make a difference to your insurance premium.

Shop around for insurance. According to Laura Adams, senior insurance analyst for insuranceQuotes, shopping around is key for saving money. Start with your own insurance company, and tell your agent you're thinking about a new carrier. "They may all of a sudden get creative about available discounts they've forgotten to tell you about," Adams says. Ask about good student discounts, distant student discounts (for when a teen goes away to college without a car), low mileage discounts, insuring just one car for a teen (some policies allow this; ours doesn't), higher deductibles (we did this) and bundling with homeowners or life insurance (and this, too). I shopped around and looked for discounts, but we ended up staying with our carrier. But if you're ready to change things up, you can shop online at sites like [The Zebra](#) for quotes from a variety of carriers.

Delay the license (but not for too long). For every year older your teen is, your insurance rate decreases slightly, Adams says. So 17 is a little less expensive to insure than 16 and so on, and your teen is slightly more mature when he does hit the road. However, students benefit from the protection of driving with a [graduated driver's license](#) and its accompanying rules (these vary by state), so consider not delaying too long if you want your teen to get lots of practice before leaving home. My daughter had plenty. I feel better about her driving with friends in college knowing she's experienced and responsible.

Share a vehicle. For our family, sharing is a no-brainer because insuring a third car is expensive, and we live in a bike-friendly town. My husband also carpools to work (and I work from home). We are prioritizing our teens pitching in on college costs, and they can't afford a car as well. Plus, philosophically, I'm not into teens owning their own cars when all of us should and can drive less. The unexpected upside of sharing with our daughter was we negotiated often over who needed the car at any given time — yes, a hassle, but it kept us looped into her activities — and I rode my bike a lot more. Sharing also promotes using public transportation, a skill kids need when they leave home. I want my kids to be thinking about the planet and how to live within their means when they're adults. That starts when they're kids.

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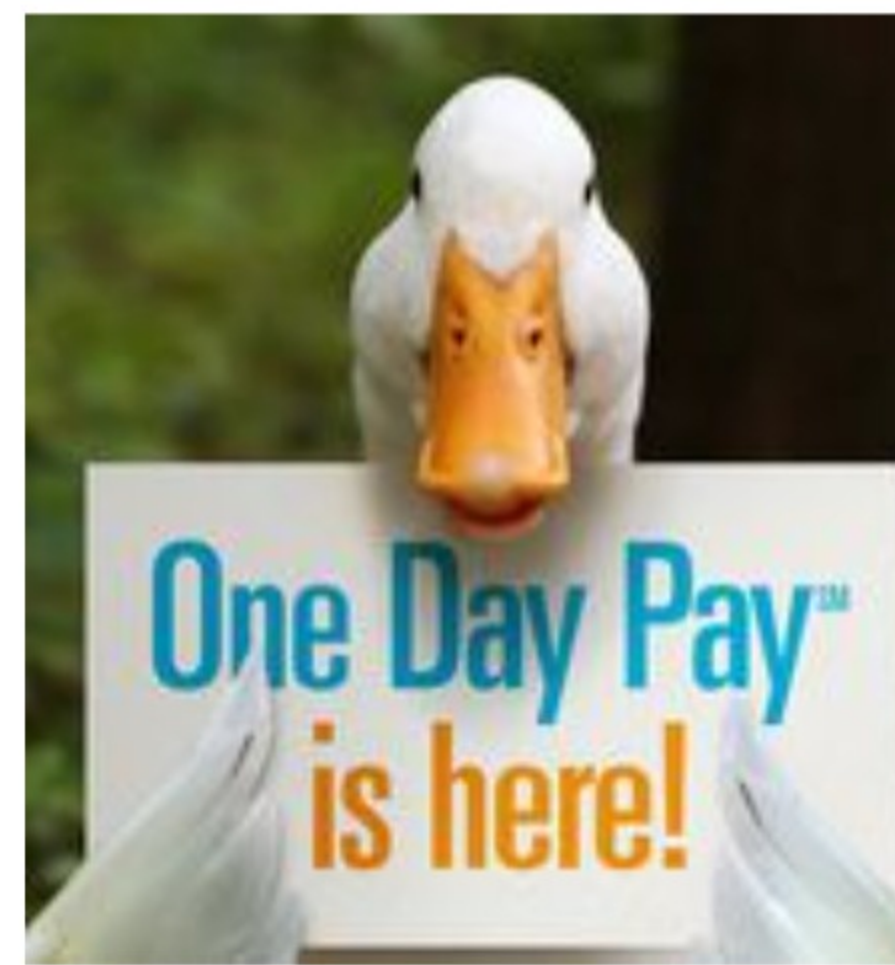


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