

PERSONAL FINANCE

Your Kid Is a New Driver: Will Your Car Insurance Take a Hit?

Most likely, but you can try to lessen the blow by asking about discounts and teaching your child as much as you can before they get their license.



The most exciting day of your life may in fact be when you first became a parent. Gone are the days when the father-to-be paces in the waiting room smoking a cigar while the mother-to-be promises bloody murder. Fast-forward 15 or so years into the future, when you took your little bundle of joy out for their first time to practice driving. Remember how great that felt, the wind in your hair, the freedom of having a personal chauffeur in your future, images of the second job as a taxi driver to your child slowly fading away?

No? You mean you were petrified, holding on to the inside of the car for dear life and questioning every choice you've made in your life? Yeah, join the club. Teaching your kid to drive is not for the faint of heart, and that includes your insurance company.

Before you hit the road

Before your lovely offspring first sits behind the wheel of a car, you need to be certain they are covered on your auto insurance policy. Check with your insurance agent or broker, and be sure that is done properly. Most of the time, there will not be an additional cost to add a person who has a learner's permit to an auto insurance policy — but check to be sure. Do a good job as the

driving coach, and you'll be rewarded handsomely when it comes time for your dude or dudette to drive off on their own. Or will you?

When the day comes that your little (but getting bigger) one has a driver's license, you must make that call to your insurance company to let them know that, as Rafiki says in *The Lion King*, "It is time." The reaction from your insurance company will be not much different from the initial reaction you had when you first started teaching your child the rules of the road — sheer terror. Can you blame them?

Driving experience is all about muscle memory

If you've been driving long enough, you will be able to relate to the fact that a great deal of driving is muscle memory. How many times have you gotten to your destination only to realize you don't even remember the drive there? Where did the time go? Who was actually driving the car — you know, using the turn signal, checking to be certain you (mostly) obey the speed limit, driving defensively, all that good stuff? It just happened on — sorry for the pun — autopilot. The more you drive, the more it tends to occur without your conscious thought. You don't have to think about how much pressure to apply to the gas pedal, when to put your foot on the brake, how much distance to keep between you and the car in front of you and the like.

That kind of muscle memory developed over a long period of time and a lot of hours behind the wheel. And that experience, my friend, is something that, putting it frankly, your kid ain't got.

One of the major factors used to establish the cost of auto insurance is the level of experience you have propelling your two to three tons of machine at 70 miles per hour. That lack of experience means the risk of something going wrong is higher for a new driver than it will likely ever be again in the future. The most inexperienced a driver will be is the first day they wave ta-ta to you and drive away. Let that sink in.

Your insurance company knows this all too well, and they have the data to prove that new drivers have more accidents than experienced drivers do, all other things remaining the same. New drivers get more speeding tickets and more stop-sign violations, and that makes total sense. The DMV granting them the right to drive does not also give them decades of driving experience. There are no shortcuts. So here is what you can do.

What you can do to soften the blow

Spend as much time instructing your new driver as you can before they get a license. Don't assume they will learn at school or through osmosis. Teach them. As my father told me when I was 15, "I'm going to make you drive every time we're in the car, because I know once you get

your license, I won't have any ability to teach you." He knew that the time to learn is with the permit and to let those hours add up. They are like dog-year hours. They really make a difference.

And yes, you're going to have to pay a higher premium with your insurance company. As you should. A new driver has a higher chance of causing damage, so the price to insure them will reflect that. But check for discounts for new drivers, such as a good student discount and a defensive driving discount. And don't put them in an expensive car. The insurance company will calculate its exposure financially, so a new Tesla will require a higher premium than a decade-old Toyota.

So do what you can and remember to always ask your agent or broker specifically what discounts or options are available for a new driver. Many insurers have creative ways and options they have found to lower the risk of the typical new driver, and the premium will reflect that — you just have to ask.

NYSUT NOTE: NYSUT members can receive special discounts on their car insurance through the Farmers Insurance Choice platform offered by [Farmers GroupSelect](#). Whether you're trying to find coverage for your teen's new car or bundle your auto and home insurance, Farmers GroupSelect is endorsed by the NYSUT Member Benefits Corporation and offers a variety of insurance policies that could meet your needs.

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About the Author

Karl Susman, CPCU, LUTCF, CIC, CSFP, CFS, CPIA, AAI-M, PLCS

President, Susman Insurance Agency; President, Expert Witness Professionals; Radio Talk Show Host, Insurance Hour

Karl Susman is an insurance agency owner, insurance expert witness in state, federal and criminal courts, and radio talk show host. For more than 30 years, Karl has helped consumers understand the complex world of insurance. He provides actionable advice and distills complex insurance concepts into understandable options. He appears regularly in the media, offering commentary and analysis of insurance industry news, and advises lawmakers on legislation, programs and policies. He contributes to the American Bar Association Insurance Regulation quarterly newsletter, helping its readers better utilize insurance products and services.

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