



## Why you need auto insurance

- It pays claims if you hurt someone else or damage another person's property (this is called liability insurance);
- It pays for your injuries and damage to your car if you are hit by someone who is not insured (this is called UM or uninsured motorists coverage);
- It pays you if you cause damage to your own car (if you buy collision coverage);
- It pays if your car is stolen (if you purchase comprehensive coverage);
- It pays for medical and funeral expenses for you and your passengers (if you buy medical expense coverage).
- Short video on teenage driving:  
<https://vimeo.com/448662266>

### Information from the National Highway Traffic Safety Administration (NHTSA)

Teen drivers have the highest crash risk of any age group. Per mile traveled, teen drivers have the highest involvement rates in all types of crashes, from those involving only property damage to those that are fatal.

Due to the innate fact that teen drivers lack experience driving a car, mistakes will be made. After all, that is the nature of learning a new skill. However, the ramifications of a mistake behind the wheel of a 3,000 lb. vehicle are far more drastic than most other decisions you make on a daily basis.

The NHTSA has gathered information on teen drivers nationally and has noted that:

- Teen drivers' fatal crashes are more likely to occur when other teenagers are in the car. The risk increases with every additional passenger.
- Night driving is a high-risk activity for beginners. Per mile driven, the nighttime fatal crash rate for teen drivers is about twice as high as during the day.
- Teenagers generally are less likely than adults to use safety belts.
- More of teen drivers' fatal crashes involve only the teen's vehicle. Typically these are high-speed crashes in which the driver lost control.

There is a good chance that either you or a friend will be involved in a teen-related accident. Avoiding some of the issues presented above will reduce your risk of injury.

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## Teenager's Guide to Auto Insurance



### Prepared by

Commonwealth of Virginia  
State Corporation Commission  
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### **What if I don't have insurance?**

If you don't have insurance, DMV will require you to pay a \$500 fee when you register your car. This fee does not provide insurance, so if

you cause an accident, you will have to pay for any injuries or damages you cause.

### **How are premiums determined?**

Insurance companies charge rates based on many factors such as:

- Your driving record
- Age and type of vehicle (if you buy comprehensive and collision coverage)
- Your age
- Your sex
- Where you live

### **How can I lower my premium?**

- Avoid getting tickets.
- Avoid having accidents.
- Don't drive a high performance car or a sports car.
- Maintain good grades to qualify for a "good student discount."
- Maintain good credit.
- Consider a higher deductible for your comprehensive and collision coverages but remember that this is the amount of money you will have to pay out of your pocket if you have a claim so be sure you can afford it.

### **Can my company increase my premium due to my accidents and traffic tickets?**

Yes. Your insurance company can charge an additional premium for a ticket or for an accident that was even partially your fault. This extra charge can last three years.

### **What if I don't pay my premium?**

If you don't pay your insurance premium on time, the company will cancel your policy. Getting a policy from another company may be difficult or may cost you more if you have let your policy run out and have gone without insurance.

If you don't pay your renewal premium on time, the company is not required to renew your policy and is not required to send you a notice advising you that your policy terminated.

*If you pay your premium via the internet, be sure you have confirmation of the transaction.*

### **How long will my policy last?**

Your policy will insure you for a specific period of time such as one month, six months, or 12 months. This is called a policy term. At the end of the policy term, the company may continue your policy or refuse to renew your policy.

### **Can my company refuse to renew my policy if I only have one ticket or one accident that's my fault?**

Yes. In fact, your driving record can affect the insurance policies of other members of your household, too. Even if they are on a different policy, they can be non-renewed because of your driving record.



### **Can I be refused coverage because of my age?**

No. If you are applying for insurance or if you are being added to your parents' policy, the company cannot turn you down because of your age.



### **If I let my friend drive my car and he has an accident, will he be covered?**

Yes. Your friend will be covered if he is driving the car with the owner's permission.

### **Who can I call if I have other questions or wish to file a complaint?**

You can call the Bureau of Insurance at: (804) 371-9185 if you live in Richmond or (877) 310-6560 if you live outside of Richmond

You can fax us at: (804) 371-9349

You can also visit us at:  
The Tyler Building  
1300 East Main Street  
(in downtown Richmond)

Or, you can write to us at:  
P.O. Box 1157  
Richmond, Virginia 23218

If you want to E-mail us with a general question, please contact us at: [bureauofinsurance@scc.virginia.gov](mailto:bureauofinsurance@scc.virginia.gov)

Our website is: [scc.virginia.gov/pages/Insurance](http://scc.virginia.gov/pages/Insurance)

If you wish to file a complaint with the Bureau of Insurance, you may do so by letter, by fax, or you may file a complaint electronically. If you would like to file a complaint with us electronically, please visit our website for instructions on how to file a complaint on-line. Please remember that your insurance agent or your insurance company should always be the first place you go for information pertaining to your automobile insurance policy.