Teen driver insurance checklist

Before the license

- Get a quote with the teen added
- Ask about good-student and driver-training discounts
- Decide which car the teen will drive most
- Review liability limits for the whole household

After the license

- Add the teen right away
- Set household rules about passengers and phones
- Recheck the price each year

Ask your agent

- Is a separate policy ever cheaper?
- How would one at-fault accident affect the price?

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Teen on the family policy or their own

Buying guide

What it covers

- Every car and every licensed household driver on one policy

- Full coverage on newer or financed cars, liability only on older ones if you choose
- Loan or lease payoff protection where offered

What it doesn't cover

- A household driver left off the policy
- A driver the policy has excluded
- Cars used for delivery or business unless the policy allows it

Who needs it

- Families adding a teen, a second car or a financed vehicle

Before you buy: what to have ready

- License numbers and dates of birth for every driver
- VINs for every car
- Lender name and maximum deductible for financed cars

Mistakes to avoid

- Waiting until after a teen is licensed to get a price
- Assuming a household driver is covered without being listed
- Choosing deductibles a lender won't accept

HYPOTHETICAL EXAMPLE

Adding a 16-year-old to a family policy

Situation

Parents with two cars and a clean record add their newly licensed 16-year-old. The quote rises by about $1,800 a year.

Financial exposure

$1,800 a year, or $150 a month, for each year the teen remains a young driver. An at-fault crash could raise it further.

Insurance options

Ask about good-student and driver-training discounts, assign the teen to the lower-value car if the carrier allows, and compare raising the family's liability limits.

Important limits

A teen living at home is usually required to be listed. Leaving them off can lead to a denied claim or a cancelled policy.

Before you buy

Get a quote before the license date so the cost is not a surprise, and recheck it each year as the teen's record builds.

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Tools and comparisons: Deductible calculator · Teen driver checklist