

Teenagers and Auto Insurance

OFFICE OF THE COMMISSIONER OF INSURANCE

PI-200 (R 12/2017)

One of the major events in many people's lives is earning the privilege of driving a motor vehicle. Everyone who drives an automobile has the responsibility to operate a vehicle safely and when unforeseen events cause an accident to pay for the injuries or the damages they might cause.

Wisconsin's Graduated Driver Licensing (GDL) System

Wisconsin's young drivers are more likely to be in a crash than any other age group. For two out of every three teen drivers killed in a crash, it is their first and last crash. More than one teen driver dies in a crash each week. Teen drivers experience more crashes involving driving errors such as inattentive driving, texting while driving, and driving at inappropriate speeds than any other segment of the population.

Wisconsin's GDL system can help reduce crashes involving young inexperienced drivers. The law gives novice drivers an opportunity to gain knowledge and driving time under the supervision of an experienced mentor. Drivers with a GDL need 30 hours of driving practice including 10 hours of night driving.

Other provisions of the law include:

- Points double for all violations after the first one while holding a probationary license
- Restrictions on the number and age of passengers allowed for the first nine months
- No driving from midnight to 5:00 a.m., except under certain specific situations for the first nine months.

Alcohol and Safety Laws

Wisconsin has an Absolute Sobriety or "Not a Drop" law. This means drivers under 21 may not have a drop of alcohol in their systems when operating a motor vehicle.

Using seat belts is required in Wisconsin. Protect yourself by buckling up every time you get into a vehicle, whether you are the driver or a passenger.

Financial Responsibility Law

The financial responsibility law is designed to make sure any person licensed to drive in Wisconsin has enough insurance or enough money to pay for damages to others that may be caused by a motor

vehicle. You can meet these requirements through an automobile insurance policy, a surety bond, or self-insurance.

Purchasing Automobile Insurance

Automobile insurance protects you if anything happens to you, your vehicle, someone else, or someone else's vehicle because of you. Your insurance policy must provide the following minimum liability coverages:

- \$25,000 for death or injury of one person;
- \$50,000 for death or injury of two or more persons;
- \$10,000 for property damage.

The law also requires uninsured motorist coverage of \$25,000/\$50,000 for bodily injury only.

Other Optional Coverages to Consider

Medical expense coverage pays medical expenses for you and your passengers regardless of who is at fault. This is a minimal coverage and usually only covers expenses not covered by health insurance.

Underinsured motorist coverage (UIM) pays if another insured driver causes the accident but has lower bodily injury liability limits than your UIM limits; your policy will pay the difference between the limits.

Collision coverage pays if your own vehicle is damaged in a collision.

Comprehensive coverage pays for damage to your vehicle, from almost all other causes, such as theft, vandalism, hitting a deer, etc.

Saving Money

You may be able to lower your premiums by:

- keeping a clean driving record (no accidents or tickets)
- keeping a clear claims history
- maintaining a good credit history
- asking your agent about discounts
- checking the premium rates before you buy a vehicle

Premiums and Your Driving Record

Your driving record is one of the main things an insurance company reviews when deciding how much to charge you for insurance. Your insurance

company has the right to charge you extra even if you have only received one moving violation or were involved in just one accident in which you were considered more than 50% at fault.

Underage Drinking and Insurance Premiums

Your *parents'* auto insurance premiums may be increased substantially or their policy nonrenewed if you receive an operating while intoxicated (OWI) citation.

If you are cited for underage drinking where the violation involved the operation or use of a motor vehicle, your insurance company might nonrenew your parents' insurance policy or increase the premium which would remain at that higher level for a number of years or until you leave your parents' household.

If you receive a citation for driving related violations, including an OWI, those violations can also affect other policies held by your parents. It could affect their umbrella policy and the rates for other nonauto motor vehicles, such as boats or snowmobiles.

Suspension vs. Revocation

A revocation or suspension has basically the same affect on the privilege to drive in Wisconsin. The real differences between the two are the penalties for being convicted of driving while suspended or revoked and the requirements for reinstatement.

A first offense of driving after revocation can be either a criminal or civil offense, depending on the reason the operating privilege was originally revoked. Second and subsequent charges of driving after revocation are criminal charges. Penalties for convictions of criminal charges can include jail time. Driving while suspended is a civil charge. Penalties for convictions of civil charges do not include jail time.

To reinstate a suspended Wisconsin driving privilege, filing proof of insurance is not required **except** for suspensions under the safety responsibility and damage judgment laws.

To reinstate a revoked Wisconsin driving privilege, a person must file proof of insurance (SR22 form) in all cases, except for the first offense of operating while intoxicated and for all noncompliance (interview/arrest/driver safety plan) revocations.

To find out if you are required to file proof of insurance, how long you are required to file, and whether or not you have acceptable insurance on file, call the Bureau of Driver's Services at (608) 261-2564 between 6:00 a.m. and 12:00 a.m., seven days a

week. At the prompt, you will need to enter your social security number and full date of birth.

Policy Cancellation

Your insurance company may elect to nonrenew your policy once your policy term expires if your accident record or moving violations exceed your company's standards. However, your insurance company must provide 60 days' notice prior to nonrenewing your policy.

Tickets and "at fault" accidents can seriously affect your policy. It is also important to note there is the possibility your driving record may affect the insurance policies of your parents and siblings. Though they might be on a different policy, their premiums can be raised or their policies may even be cancelled in rare instances because of your driving record.

Accidents

Sometimes accidents happen. You should be ready in case an accident happens to you and take the following steps:

- Make sure your insurance information is in your vehicle before an accident happens
- Call the police
- Make sure you get the following information from the other driver:
 - name
 - address
 - telephone number
 - license plate number
 - driver's license number
 - insurance information
- Give the other driver the same information about you
- Notify your insurance agent as soon as possible

If you are not the driver, it is important to remember the coverage goes with the vehicle. However, the owner must have given their permission to drive the vehicle. If the vehicle is owned by your parents, they must have given their permission.

Information about proof of insurance is also available on the Wisconsin Department of Transportation's Web site at: <http://wisconsindot.gov/Pages/dmv/license-drvs/susp-or-rvkd/proof-of-insurance.aspx>.

For more information visit the Office of the Commissioner of Insurance's Web site at: oci.wi.gov or call 1-800-236-8517.

For more information on Wisconsin's Graduated Driver Licensing System visit the Department of Transportation's Web site at: wisconsindot.gov.