

# Teenagers and Auto Insurance

OFFICE OF THE COMMISSIONER OF INSURANCE (OCI)

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Earning the privilege to drive an automobile is a major milestone. Drivers have the responsibility to operate a vehicle safely and to pay for injuries or damages in the unfortunate event of an accident.

## 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 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. Information about GDL is available on the Wisconsin Department of Transportation's Website at [wisconsin.gov/Pages/dmv/teen-driver/yr-frst-licns/gdlfaq.aspx](http://wisconsin.gov/Pages/dmv/teen-driver/yr-frst-licns/gdlfaq.aspx)

## 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 a seat belt is also required in Wisconsin. Protect yourself by buckling up every time you get into an automobile, 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 an automobile. 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 automobile 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; and
- \$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 automobile is damaged in a collision.
- **Comprehensive coverage** pays for damage to your automobile caused by something other than a crash, such as theft, vandalism, or hitting a deer. This is sometimes referred to as "other than collision" coverage.

## 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 an automobile

## 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 is greatly affected if you receive an operating while intoxicated (OWI) citation.

- The cost of the premium will substantially increase, and the higher rate will remain in effect until you are no longer on their policy.
- The insurance company might non-renew or cancel your parents' policy, leaving them searching for new insurance.
- Other insurance policies held by your parents may be affected. For instance, they may face increased premiums to their umbrella policy and other vehicles, such as boats and snowmobiles.

## Suspension vs. Revocation

A revocation or suspension has basically the same effect 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. Information about suspended or revoked driving privileges is available on the Wisconsin Department of Transportation's website at [wisconsindot.gov/Pages/dmv/license-drvs/susp-or-rvkd/susp-revoked.aspx](http://wisconsindot.gov/Pages/dmv/license-drvs/susp-or-rvkd/susp-revoked.aspx).

To reinstate a revoked Wisconsin driving privilege, a person must file proof of insurance (SR22 form), except for the first offense of OWI and for all non-compliance (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:

Bureau of Driver's Services  
(608) 264-7447

6:00 a.m. – 12:00 a.m., 7 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 non-renew your policy once your policy term expires if your accident record or moving violations exceed the company's standards. However, they must provide 60 days' notice prior to non-renewing 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

Accidents happen, so it's best to be prepared by following these steps:

- Always have your insurance information in your vehicle.
- Call the police to report the accident.
- 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.

Remember, coverage goes with the vehicle—even if you were not the driver. However, the owner must have given you their permission to drive the vehicle. If the vehicle is owned by your parents, they must have given their permission.

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Information about proof of insurance is also available on the Wisconsin Department of Transportation's website at [wisconsindot.gov/Pages/dmv/license-drvs/susp-or-rvkd/proof-of-insurance.aspx](http://wisconsindot.gov/Pages/dmv/license-drvs/susp-or-rvkd/proof-of-insurance.aspx).

For more information, visit OCI's website at [oci.wi.gov](http://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 website at [wisconsindot.gov](http://wisconsindot.gov).