

What Parents of Teen Drivers Need to Know About Auto Insurance

Adding a teenager to your household as a new driver is exciting — and a little nerve-wracking. One of the most important things you can do to protect your family is make sure you have the right auto insurance in place before they ever back out of the driveway. Here's what every parent should understand.

- Chances are high that your child will be in a crash.
- Boys are at a higher risk than girls.
- Serious injuries can financially devastate families, even when the parents have good jobs.
- Allyson's opinion: every family should have at least \$250,000 in insurance coverage. More if you can afford it.

As a personal injury lawyer and mom of an almost-16-year-old, I'm regularly horrified at the insurance coverage available when people come to me after being injured in a crash. In Virginia, the state minimum is \$50,000. In DC, the minimum is only \$25,000. This is nowhere near enough.

I'm begging — please review your insurance coverage. This guide shows you what to look for. And this story illustrates the point. Our firm represented a Wakefield High School junior. He was hit by an uninsured driver over near Long Bridge Park on his way to practice. He was taken by ambulance to Virginia Hospital Center and diagnosed with a serious concussion. He developed a really common condition called post-concussion syndrome — headaches, vision problems, and severe fatigue. He missed a month of school. When he tried to go back, it was absolutely impossible for him to keep up. (AP classes are no joke and he simply could not do the work.) The poor kid ended up on a modified class schedule where he completed his junior year mostly at home. He dropped some AP classes. Missed his sports season. Became super disconnected from his friends. It was horrible. This 16 year old basically lost his entire junior year. He walked away with about \$60,000 at the end of the day. Considering everything he went through, \$60,000 didn't come close feeling like a fair outcome.

Understanding the Types of Auto Insurance

Auto insurance is made up of several different types of coverage, and understanding each one helps you make smart decisions for your family.

Liability Coverage

Liability insurance pays for damages and injuries your driver causes to other people. If your teen runs a red light and hits another car, liability coverage pays for the other driver's medical bills, lost wages, and payment for the general terribleness of the situation (pain, suffering, stress, embarrassment) — up to the limits of your policy. It does not cover your own family's injuries or your own vehicle.

Uninsured/Underinsured Motorist Coverage (UM/UIM)

This coverage protects your family when the other driver is at fault but has no insurance — or not enough insurance to cover the full extent of your damages. Given how many drivers on the road carry only the minimum required coverage (or none at all), this protection **is the most important**.

How These Work Together: Let's say you're pulling into the Yorktown High School parking lot and a kid backs into you. You end up really hurt. The kid's liability coverage kicks in first. If that isn't enough, your Virginia Uninsured/Underinsured coverage stacks on top. If everyone has the \$50,000 minimum, you'd end up with a total of \$100,000 available. (That is NOT ENOUGH if you are seriously hurt.)

Medical Payments Coverage (MedPay)

Medical Payments coverage helps pay for medical expenses for you and your passengers after an accident, regardless of who caused it. It can cover hospital visits, ambulance fees, and follow-up care. It's designed to kick in quickly, before the longer process of sorting out fault and liability claims.

Allison has mixed feelings about it. On the one hand, MedPay is valuable in the immediate aftermath of a crash, when your family may need reimbursement for lost wages or your health insurance won't pay for care you need. (Dental care comes up a lot.) On the other hand, local hospitals have ways of basically scooping it out from under you to benefit themselves. If that happens, you're not really getting the benefit of the insurance you paid for. (If you're dealing with this, a lawyer can help.)

Property Damage Coverage

Property Damage coverage pays to repair or replace other people's property — most commonly their vehicle. It will also cover your property if your car is damaged by someone who is uninsured. Think about the value of your car when you consider how much insurance to buy. Do you really need \$100,000 in coverage if you drive an older car?

What Coverage Helps If My Child Causes an Accident?

If your teen is responsible for a collision, the coverage that steps in to protect your family financially is your Liability coverage. Specifically:

- Bodily Injury Liability pays for the other driver's and passengers' medical expenses, lost income, and pain and suffering.
- Property Damage Liability pays to repair or replace the other driver's vehicle and any other property damaged in the crash.

If the damages exceed your policy limits, **parents can be personally responsible for the difference**. A common theory is negligent entrustment – that the parent should have known the child wasn't a responsible driver and so is personally responsible. A serious accident involving significant injuries can result in claims far beyond a minimum-coverage policy. This is why choosing adequate liability limits — not just the state minimum — is so important when you have a teen driver on your policy.

Tip: Talk to your insurance agent about umbrella coverage. For a relatively modest annual premium, an umbrella policy can add \$1 million or more in liability protection on top of your existing auto policy — a smart move when you have a new driver in the household.

Liability and Underinsured Motorist Coverage: The Most Important Protection You Can Have

Of all the coverage types available to you, Liability and Underinsured Motorist (UIM) coverage are the two that matter most — and the two most worth investing in.

Liability coverage protects others from your driver's mistakes. But Underinsured Motorist coverage protects your family from everyone else's mistakes — and that's just as important.

And under Virginia law, your UM coverage stacks on top of the liability policy. (The law in DC and Maryland is different.)

Property Damage Coverage: Why More Isn't Always Necessary

Property Damage coverage pays for damage to another person's vehicle or property when your driver is at fault.

While it's tempting to load up on every type of coverage, property damage is one area where many families actually carry more than they need. Here's why:

- The average vehicle repair claim is well under \$10,000.
- Even in collisions involving newer or luxury vehicles, \$50,000–\$100,000 in property damage coverage is typically more than sufficient, even where a car is totaled.
- Most serious financial exposure in auto accidents comes from bodily injury claims — not property — which is why your liability and UIM limits deserve the most attention.

That said, don't drop property damage coverage to minimum levels just to save a few dollars. Make sure your limits are reasonable — just don't over-invest here at the expense of the more critical bodily injury and underinsured motorist protections.

The Bottom Line

Auto insurance is one of the most important financial safety nets your family has. When you add a teen driver to the mix, the stakes go up. Make sure your policy includes strong Liability and Underinsured Motorist limits — these two coverages are the most likely to matter if something goes wrong.

If your family has been affected by an auto accident and you have questions about your coverage or your rights, don't hesitate to reach out. We help families navigate these situations every day.

Have any questions? Please email me at allyson@kitchellaw.com

