

AUTO INSIGHTS



Auto and driver risk management tips provided by: The CIMA Companies, Inc

Teens and young adults often face hefty auto insurance premiums because, statistically, they are more likely to get into car accidents. The Department of Motor Vehicles reports that the crash rate for those between the ages of 16-19 is 2.7 times greater than that of the average driver. However, most carriers offer a simple solution to combat this financial burden—offering a good student discount.

THE GOOD STUDENT DISCOUNT

The good student discount is an auto insurance discount provided by carriers that benefits students financially for their academic achievement. In other words, this discount offers reduced premium rates for current students that maintain a specific GPA or other measurable level of success in school.

The Journal of Accident Analysis and Prevention found in a recent study that students with a C or D average in school are 49 percent more likely to get into a car accident than those with an A or B average. As a result, students with an A or B average are labeled as low-risk drivers by car insurance companies and rewarded with lower rates.

While specific qualifications vary between carriers and states, most auto insurance companies typically require students to meet the following standards:

- Be under the age of 25
- Be currently enrolled full time in high school, college or university
- Maintain at least a 3.0 GPA
- Score in the top 20 percent on the PSAT, SAT or ACT
- Receive recognition on the dean's list or honor roll

Receiving the Good Student Discount

In order to receive the good student discount, you will need to provide both proof of enrollment and proof of academic achievement. This proof can be provided to carriers in the form of a report card or transcript, standardized test score results, a letter from a school administrator, or a dean's list or honor roll certificate. In the case of a home-schooled student, you will need to provide a certification signed by a home-schooled certifying body such as the State Department of Education.

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