

## *Cost of Driving Curriculum*

### **Objective Statement:**

To conduct an educational and informational discussion of the various costs related to driving. This station is directed more toward parental viewers.

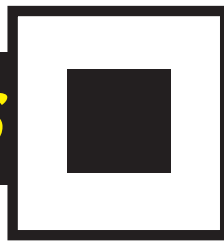
### **Activity Description:**

Discussion of the cost involved in driving from insurance, court and law costs, accident costs and much more. Distribute handouts and brochures.

### **Materials Needed:**

- Handouts
- Brochures





## Cost of Driving

### What affects the price?

What you pay for auto insurance varies by company and by:

- What you buy. Coverages are priced individually so how much you'll pay depends upon:
  1. How many coverages you buy
  2. How much each will pay. Deductibles lower the price by shifting part of a loss to you.
- What kind of car you drive affects how much you pay, since coverage on your vehicle depends on its value. Generally, the more expensive the car, the more you pay.
- Where you drive. Drivers tend to have more losses if they live where there's a high rate of accidents or vandalism. Generally, urban drivers pay more for insurance than those in small towns or rural areas.
- How much you drive. The chance of an accident generally increases as driving increases. People who use their car for business and long-distance commuting normally pay more than those who drive less.
- Your age, sex, and marital status. Accident rates are higher for all drivers under age 25, especially young males and single males. Insurance prices in most states reflect these differences.
- Your driving record also affects price. Drivers who cause accidents generally must pay more than those who are accident-free for several years.

### What can I do to hold down the cost of my premiums?

- If you're shopping for a car, consider how your choice will affect premiums. Some insurers increase premiums for cars more susceptible to damage or occupant injury, and lower rates for those that fare better than the norm.
- Ask about discounts for good students, having more than one car insured, accident-free driving, and others.
- Consider joining a car or van pool, or finding other transportation to work. If you reduce your driving mileage enough, you may lower your premiums.
- Drive carefully.

Source: [www.statefarm.com/insurance/auto/affects.htm](http://www.statefarm.com/insurance/auto/affects.htm)



### Frequently Asked Questions

**Q:** How do points affect your insurance rates, and when do insurance companies check driving records?

**A:** In most states, the motor vehicles department has a "point" system which is used to track your driving record. Generally, each type of infraction (moving violations, parking tickets, at-fault accidents, driving under the influence, etc.) is assigned a certain point value. When you are found guilty of one of these infractions, the appropriate number of points is added to your driving record. The more points you have, the worse your record.

Typically, an insurance company has the right to review the driving record of anyone who applies for an auto insurance policy from that company. The purpose of this initial review is twofold: 1) to determine whether you meet the insurer's standards of insurability (i.e., whether you will be issued a policy at all), and 2) to evaluate your risk potential (i.e., how much your insurance will cost). However, each insurance company has its own method of evaluating applicants, so the points on your driving record may or may not have a direct impact on the rates you pay for auto insurance.

Once you are issued a policy, your insurer probably has the right to review your driving record at any time (this may vary from state to state). Of course, few insurers have the resources or the inclination to run daily checks on the driving records of every policyholder, so the frequency of these checks may actually be quite low. There are, however, certain times when you can be relatively sure an insurance company will be checking your record. These include:

- When you initially apply for coverage
- When you request a change to your policy (increased coverage amounts, etc.)
- When you add a vehicle to your policy, or change the covered vehicle
- When your policy comes up for renewal

If a review of your driving record uncovers negative information, there's a chance your insurance rates will increase. Insurers typically use their own "point" system to determine the amount of the increase (if any). Although these systems can vary, most insurers use a system based on the Safe Driver Insurance Plan, which is issued by the Insurance Services Office (ISO). The Safe Drivers Insurance Plan lists different types of auto accidents and moving violations, and assigns a "point" value (from 0 to 4) to each type based on the severity of the incident. Under the Plan, as you accumulate points, you are assessed surcharges that generally result in higher insurance rates. The number of points charged determines a premium increase.

For example, you may have 3 points charged against you if you're convicted of drunk driving, triggering a hefty increase. On the other hand, accidents that weren't your fault generally don't result in any points, and usually won't make your premium go up at all.

Source: [www.insurance.com/profiles\\_insights/ask\\_expert/ask\\_question\\_0400\\_1.asp](http://www.insurance.com/profiles_insights/ask_expert/ask_question_0400_1.asp)

## Cost of Driving

### **Auto Repair Costs in Selected Ohio Cities 1996 vs. 2000**

Factored into the cost of auto insurance is the cost of vehicle repair. Garage labor rates continue to rise, based on the findings of OII's annual survey. Average repair shop rates of Ohio's major cities are provided for the years of 1996 and 2000.

According to Insurance Information Institute (III) Fact Book 2001, the average claim cost for property damage increased nearly 36 percent between 1990-99. The average property damage claim was \$1,689 in 1990, rising to \$2,291 in 1999. The Ohio Department of Public Safety reports the average property damage only cost per crash in 1999 in Ohio was \$4,500.

Auto accident claim costs continue to outpace general inflation. While the average paid property damage claim climbed 35.6 percent between 1990-99, the overall cost of living rose 27.5 percent.

### **Factors that Affect Auto Insurance: Age and Its Impact**

Age is a key variable in determining auto insurance premiums, because it likely implies your level of driving experience. With fewer years of driving experience comes a greater chance that your auto premiums will reflect this. After age 30 the effect diminishes.

Even before reaching the legal driving age, most teenagers catch car fever. But when the time comes to add them to their parents' insurance policy or to get their own, a sudden case of "premium sticker shock" is likely to set in. So why do youthful drivers have higher insurance premiums?

The answer is simple, but not one they like to hear. In 1999, teenagers accounted for 10 percent of the US driving population, but were involved in 14 percent of all motor vehicle deaths.

Teens drive less than all age groups but the oldest drivers, but their numbers of crashes and crash deaths are disproportionately high. The risk of crash involvement per mile driven among drivers 16-19 years old is four times greater than older drivers. In fact, the crash rate per mile driven is almost three times as high among 16 year olds as it is among 18-19 year olds.

Source:

[www.ohioinsurance.org/factbook2001/chapter1/chapter\\_1d.htm](http://www.ohioinsurance.org/factbook2001/chapter1/chapter_1d.htm)



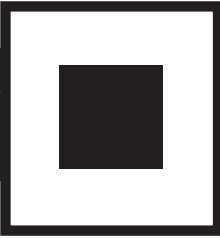
### **What Do I Do If I Have An Accident?**

Make sure you and your passengers are OK. Move as far off the roadway as possible, but stay at the scene of the accident. Warn oncoming traffic by activating your hazard warning lights or setting flares.

- Call the police to report the accident.
- Contact your insurance agency.
- Do not admit fault for the accident or discuss it with anyone other than the police and your claims representative. Stay calm and resist the temptation to get upset or argue with the other driver, even if you believe that he or she is completely at fault.
- Exchange vital information with the other driver. Write down the name, address, phone number and license numbers for all drivers and witnesses, particularly those who were not riding in a vehicle involved in the accident. Ask for the name of the insurance company and policy number from the drivers involved.
- Be prepared. Many times, we don't think about what we need in an emergency situation until we are in one. Whether you are in an accident or have a flat tire, you may want to plan ahead with some of the following items:
  - Blanket
  - Bottled Water
  - Can of motor oil
  - Car Owner's Manual
  - Car registration
  - Cellular phone
  - Duct tape
  - Emergency phone numbers of family and friends
  - Fire extinguisher
  - First Aid kit
  - Flares
  - Paper
  - Pen or pencil
  - Portable radio with batteries
  - Premoistened towlettes
  - Reflective vest
  - Scissors
  - Sealant for small leaks in tires
  - Smaller hammer
  - Snack food
  - Spare tire
  - (Have it checked each time you rotate your tires)
  - Tire pressure gauge
  - Tool box with screwdrivers and wrenches
  - Window scraper for ice
  - Flash light with spare batteries
  - Fuses
  - Gas can
  - Insurance information
  - Jack
  - Jumper cables

Source:

[www.progressive.com.RC/Dsafety/rc\\_accident\\_emergency.asp](http://www.progressive.com.RC/Dsafety/rc_accident_emergency.asp)



## Cost of Driving

### 1999 US young driver statistics

- 5,749 teens died in motor vehicle crashes in 1998, compared to 5,606 in 1997, and 34 percent fewer than in 1975.
- Motor vehicle death rates per 100,000 peaked at ages 18 and 19 for drivers and at age 19 for passengers.
- 38 percent of the deaths of 16-19 year olds from all causes resulted from crashes in 1998, the latest year for which this information is available.
- About two out of every three teenagers killed in crashes were males.
- Male teenage drivers have higher death rates than their female counterparts — 22 per 100,000 people, compared to 11 per 100,000 for females. Since 1975, teen motor vehicle deaths have decreased 43 percent among males, compared to only 9 percent among females.
- 53 percent of all teenage motor vehicle deaths occur on weekends (Friday – Sunday). 41 percent of all teenage motor vehicle deaths occur between 9 p.m. and 6 a.m.
- About 54 percent of teenage passenger vehicle occupant deaths were drivers and 45 percent were passengers.
- 63 percent of teenage passenger deaths occurred in crashes in which another teen was driving. Among people of all ages, 20 percent of passenger deaths occurred when a teenager was driving.

Source:

[www.ohioinsurance.org/factbook2001/chapter1/chapter\\_1d.htm](http://www.ohioinsurance.org/factbook2001/chapter1/chapter_1d.htm)

### 1998-1999 Ohio young driver statistics

- In 1998, there were 635,446 licensed drivers ages 16-20, representing nearly 8 percent of all Ohio drivers.
- In 1998 this age group represented 16.8 percent of all drivers in crashes and 15.1 percent of all drivers in fatal crashes. This age group had the highest percentage of at-fault accidents at 10.6 percent. In 1999, young drivers were involved in 15.2 percent of Ohio's fatal crashes and represented 17.5 percent of all drivers in crashes causing injuries.
- A total of 244 teenagers ages 16-20 died in traffic crashes in 1999. Of these, 147 were drivers, 93 were passengers and 4 were pedestrians. This compares to 214 fatalities in 1998, and 211 in this age group in 1997.
- Of the 244 teenagers ages 16-20 who died in crashes, 51 or 12.9 percent were alcohol-related. In 1998 there were 50 teenage alcohol-related fatalities.
- In 1999, 163 males between the ages of 16-20 died in crashes, which is 16.6 percent of all male crash fatalities. 81 teenage females died in crashes, which is 18.2 percent of all females who died in crashes.
- 70 percent of 14-15 year olds killed in crashes were riding with drivers age 21 or younger. In 14 percent of fatal crashes the drivers were between the ages of 12-15.

Source: [www.ohioinsurance.org/factbook2001/chapter1/chapter\\_1d.htm](http://www.ohioinsurance.org/factbook2001/chapter1/chapter_1d.htm)

### US Teenage Motor Vehicle Deaths

Year	Male	Female	Total
1999	3,740	2,009	5,749

Fatalities caused by red light running in the US numbered almost 6,000 between 1992-1998. During the seven-year period, about 1.5 million were injured in these crashes. About 11,300 red light running crashes occurred annually in Ohio during the same time period with an average of 29 fatality crashes each year.

Source: [www.ohioinsurance.org/factbook2001/chapter1/chapter\\_1d.htm](http://www.ohioinsurance.org/factbook2001/chapter1/chapter_1d.htm)



## Cost of Driving

### Safety Measures for Youth

Young drivers should be the best drivers on the road. With superior reflexes, they have the ability to react to driving emergencies more quickly than their elderly counterparts. But, immaturity and lack of judgment and driving experience may override such pluses.

A study released in 2000 supports the risky behavior aspects of younger drivers. Upon analyzing data on fatal crashes, researchers at John Hopkins University found that 16-year-old drivers face a 39 percent higher risk of dying behind the wheel with the addition of one young passenger. That increases to 86 percent with two passengers and 182 percent with three or more. 17-year-old drivers face even higher risk rates, with three or more passengers tripling their risk of becoming a crash fatality.

Adding a teenage driver to a policy can easily double a family's auto insurance premium. To help keep insurance premiums down, here are a few measures that young drivers and their parents can take.

- It's usually cheaper to add young drivers and their vehicles to the family's auto insurance policy rather than buying a separate one. But, family assets may be open to lawsuits if your young driver is involved in an at-fault crash with losses higher than your policy limits.
- Parents should restrict the use of the automobile by youngsters, closely supervising all aspects of its operation.
- Work out expense sharing so that teen drivers understand and respect the costs of owning and/or operating a vehicle. This includes paying for gasoline and/or part of the insurance premium.
- Ohio law requires new drivers under age 18 to take an approved driver training course and to verify completion of 50 hours of driving with a parent or guardian, including 10 hours of nighttime driving. Most insurers recognize that driver training creates safer drivers, so be sure to ask if any discounts are available upon completion of driver and parental training.
- Consider higher auto liability insurance limits, especially beyond the state's minimum limits. To help defray the additional premium, consider higher deductibles or paying for minor fender benders out of pocket.

- Ask about young driver discounts, such as maintaining a B average or higher. Some insurers provide an added incentive by knocking 5-30 percent off premiums. Also, if your student keeps the vehicle away at school, it may be in a lower risk location, meaning a slight reduction in premiums.
- Parents should set a good example by always buckling up, not speeding, not using cell phones while driving and avoiding other risks behind the wheel.
- Limit the number of passengers when your teen drives, never going over the number of seatbelts.
- If purchasing a vehicle for a teen, choose an intermediate size car or sedan. Avoid high performance vehicles such as sports cars, SUVs or pickup trucks. Small, sporty vehicles usually carry higher insurance premiums and have higher death and theft rates.
- Emphasize to teen drivers that traffic tickets and at-fault accidents will cause premiums to rise.

Source: [www.ohioinsurance.org/factbook2001/chapter1/chapter\\_1a.htm](http://www.ohioinsurance.org/factbook2001/chapter1/chapter_1a.htm)



## What Parents of Teenagers Can Do

### ***Don't rely solely on driver education***

High school driver education may be the most convenient way to learn driving skills, but doesn't produce safer drivers. Poor skills aren't always to blame for teens' crashes. Their attitudes and decision-making skills matter more. Young people naturally tend to rebel, and peer pressure influences them more than advice from adults. They often think they're immune to harm, which is why they don't use safety belts as much and why they deliberately seek thrills like speeding. Training and education don't change these tendencies.

### ***Restrict night driving***

Most nighttime fatal crashes among young drivers occur between 9 p.m. and midnight, so teenagers shouldn't be driving much later than 9 p.m. The problem isn't just that late-night driving requires more skill. Outings late at night tend to be recreational. In these circumstances, even teens who usually follow all the rules can be easily distracted or encouraged to take risks.

### ***Restrict passengers***

Teen passengers in a vehicle can distract a beginning driver and/or lead to greater risk-taking. Because young drivers often transport their friends, there's a teen passenger problem as well as a teen driver problem. Almost two of every three teen passenger deaths (62 percent) occur in crashes with a teen driver. While night driving with passengers is particularly lethal, many fatal crashes with teen passengers occur during the day. The best policy is to restrict teen passengers, especially multiple teens, all the time.

### ***Supervise practice driving***

Take an active role in helping your teenager learn how to drive. Plan a series of practice sessions in a wide variety of situations, including night driving. Give beginners time to work up to challenges like driving in heavy traffic or on the freeway. Supervised practice should be spread out at least six months and continue even after a teenager graduates from a learner's permit to a restricted or full license.

### ***Remember you are a role model***

New drivers learn a lot by example, so practice safe driving. Teens with crashes and violations often have parents with poor driving records.

### ***Require safety belt use***

Don't assume that belt use when you're in a car with your 15 year-old means belts will be used all the time, especially when your child is out with peers. Remember that belt use is lower among teens than older people. Insist on belts at all times.

### ***Prohibit driving after drinking***

Make it clear that it's illegal and highly dangerous for a teenager to drive after drinking alcohol or using any other drug. While alcohol isn't a factor in most crashes for 16 year-old drivers, even small amounts of alcohol are impairing for teens.

### ***Choose vehicles for safety, not image***

Teenagers should drive vehicles that reduce their chances of a crash and offer protection in case they do crash. For example, small cars don't offer the best protection in a crash. Avoid cars with performance images that might encourage speeding. Avoid trucks and sport utility vehicles — the smaller ones, especially, are more prone to roll over.

Source: Insurance Institute for Highway Safety  
National Highway Safety Administration

[www.progressive.com](http://www.progressive.com)

