



INSURANCE FOR WISCONSIN'S YOUNG DRIVERS

YOUR DRIVER'S LICENSE RESPONSIBILITY



A major event in a young person's life is earning the privilege of driving a motor vehicle. Remember, driving is a privilege — not a right. To keep this privilege, you are required to follow and adhere to some rules. Failure to follow these rules will result in the suspension of your driving privileges.

This information in your hands will prove valuable to you as a licensed driver. Being familiar with this information could save you from a very expensive and embarrassing mistake. Everyone who drives an automobile has the responsibility to not only operate a vehicle safely, but to pay for injuries or damages caused while they are driving.

To remove drivers from the road who are unable to pay for such damages or injuries, all 50 states (and every Canadian province) have enacted financial responsibility laws. Here is how they work. If you have an accident involving bodily injury or substantial property damage (see *If You Have an Accident* box on this page), you must file a report with the proper state agency. You then may be required to present proof that you can pay damages up to certain minimum amounts stated in the law of the state or country in which the accident happened.

You can satisfy the requirement by purchasing bodily injury and property damage liability insurance in the minimum amounts set by the state in which you keep your car. If you do not carry such insurance and your car is involved in an accident, you may be required to put up thousands of dollars in cash, or other assets, as proof that you are able to pay for the injuries and damages. If you're unable to pay, your right to drive may be taken away until you satisfy any judgment that may be rendered against you and, in most states, provide proof of financial responsibility for the future. Forty-nine states have laws requiring registered car owners to have liability insurance or or some other approved form of security.

If You Have an Accident

Wisconsin law requires that you must report an accident if:

- There is injury or death.
- There is \$200 or more damage to government property.
- There is \$1,000 or more damage to any one person's property.

You must report a reportable accident as soon as possible to local police, county traffic patrol, sheriff or the Wisconsin State Patrol. You must also file a Driver's Report of Accident with 10 days with the Division of Motor Vehicles in Madison. If a police agency investigates the accident, you do not have to fill out the accident report, the police will.

Insurance and Financial Responsibility

On the Driver's Report of Accident you must give the name of your insurance company, your insurance policy number and its effective date. The policy should provide at least the minimum amounts of insurance (\$25,000 for death or injury of one person, \$50,000 for death or injury of two or more persons, and \$10,000 property damage).

If the vehicle is not covered by insurance, the driver (and the owner if someone else was driving) may have to show they can pay for property damage or personal injury resulting from the accident. This is referred to as "proof of financial responsibility." They may be required to deposit cash, certified check or money order with the Division of Motor Vehicles, or to file a surety bond in the amount set by the division.

If you do not deposit the required security, your driver's license may be revoked, any registrations belonging to the driver or owner may be revoked, and the vehicle may be impounded.

Immediately following an accident, you should contact your insurance agent and give complete information about the accident. You should seek medical attention if you are shaken up. Some injuries may not show symptoms until later.

Frequently Asked Questions



What affects the price of auto insurance?

When determining the rate for an auto insurance policy, insurers separate drivers into categories called classifications. Drivers are classified based on a number of different characteristics, including but not limited to age and gender, marital status, where the vehicle is garaged, driving record, make and model of vehicle, prior insurance coverage and annual miles driven. History has shown that drivers with certain characteristics, such as a poor driving record, have a greater chance of being involved in an accident, and the drivers in those classifications must pay higher rates. While some of the classification criteria (such as age and sex) are out of your control, others, such as driving record and type of vehicle driven, are within your control.

Can the driving/accident records of my child and/or spouse have an impact on my ability to buy auto insurance?

Yes, the driving record of any licensed driver in the household will affect the decision of the insurance company to insure your vehicle(s). It can cause you to be turned down for insurance coverage or to pay higher insurance premiums.

How much will my insurance cost?

Premiums or the amount you pay for insurance can vary. The type of car you drive, your driving record, your age, your sex, where you live, and how much you drive usually affect the cost.

Is there a way I can reduce my premiums?

Every auto insurer has its own package of special discounts to attract particular types of customers. Most insurance companies provide discounts for at least some of the following: accident free drivers discount; a package discount for insuring your home and auto with the same company; multiple auto discount; good student discount; nonsmokers discount; and passive restraint discount (for vehicles with air bags or automatic seat belts). You may also consider higher deductibles for your comprehensive and collision coverages.

Will my insurance be affected if I'm in an accident or get a ticket?

You may have to pay more for insurance if you are involved in an accident, get a ticket for a traffic violation such as speeding or file too many claims. You may even lose your present insurance when it comes time to renew your policy if you appear to be a reckless driver. Every insurance company decides how it will treat accidents and violations for the risks it will insure.

If I borrow a car from a friend or relative for a short time while my car is being repaired, will my policy cover me while I am driving the borrowed car?

The policy covering the borrowed car would be primary and in most cases, your policy would cover the vehicle on an excess basis. If no policy covers the borrowed car, most companies will treat your policy as the primary coverage for the borrowed car and coverage would then depend upon what is provided by your policy.

Good Student Discounts

In Wisconsin many companies offer young men and women a "good student" discount of up to 25 percent on automobile insurance rates. To be eligible for the discount, a person must be at least 16 years of age and be a high school student or a full-time college or university student. Additionally, the student must rank among the upper 20 percent of the class, have a "B" average or better (a GPA of 3.0 or higher on a 4.0 scale), or be on the dean's list, honor roll or comparable list indicating scholastic achievement.

Youthful Drivers

The cost of automobile insurance varies from one group (classification) of drivers to another. The reason for this is that, on the average, some groups have worse driving records, higher accident rates and more costly accidents than others. Usually, the highest premiums are paid by the male driver under age 25, with his rate depending on his marital status and whether he owns or is the principal driver of the car being insured. Under the most widely used rating system, the cost of auto insurance for young drivers is scaled downward periodically. Rates for unmarried males who are the owners of their cars are reduced periodically from age 17 to 29. In most states, rates for unmarried males who are not the owners of their cars, for married males and for females are reduced each year from age 17 to 21. For these groups, the "young driver" surcharges are eliminated at age 25.

Quiz Corner

1. About ____ in every ten Americans will be involved in an alcohol-related crash at some time of their life.
A. 3 B. 4 C. 1 D. 2
2. When driving in fog, you should use your _____.
A. Fog lights only B. High beams C. Low beams
3. If you are traveling on an even-numbered expressway, which direction are you traveling?
A. East-West B. North-South
4. You are about to make a left turn. You must signal continuously during the last ____ feet before the turn.
A. 75 B. 50 C. 100
5. Drivers should avoid using cruise control in conditions of low traction, such as rain, ice and snow?
A. True B. False

Source: Teen Driving.AAA.com

Answers: 5. A 4. C 3. A 2. C 1. A

BASIC AUTO INSURANCE COVERAGES

Bodily Injury Liability Insurance. Bodily injury liability insurance does not protect you or your car directly. If you cause an accident injuring other people, it protects you against their claims up to the stated amounts for medical expenses, lost wages, pain and suffering, and other losses. It will also usually pay if the accident was caused by a member of your family living with you or a person using your auto with your consent.

Collision Coverage. This protects your car if it collides with an object, including another car, or if it overturns. Your own insurer will pay for such damage even if the collision is your fault. Limits are based on the actual cash value of your car and it is usually written with a deductible of \$50, \$100, or more. In addition, collision premiums are based on the make and model year of your car. You should evaluate the current market value of your car and your ability to afford a similar car should it be destroyed before you purchase this coverage. You may not need this coverage if your car was decreased in value or if you can afford to replace it.

Comprehensive (also called other than collision) Coverage. This protects your car against almost all damage except loss caused by collision. This includes fire, theft, missiles, glass breakage, falling objects, explosion, earthquake, civil commotion, or colliding with a wild bird or animal. It is based upon the actual cash value of the car and can be written with a deductible.

Medical Payments Insurance. This coverage provides medical or funeral expenses for you or others injured or killed in an accident while riding or driving in your car. It also covers you and members of your family if hit by a car or injured while riding in another car. Medical payments insurance usually covers only those expenses not covered by health insurance, such as copayments, deductibles, etc. Medical expense coverage is usually sold as a single amount such as \$1,000. Companies must offer this coverage but you do not have to buy it.

Property Damage Liability Insurance. Property damage liability insurance pays for any damage up to the stated amount you cause to the property of others such as a crushed fender, broken glass, or a damaged wall or fence. Your insurance will pay for this damage if you were driving your auto or if it was being driven by another person with your consent.

Uninsured Motorist Coverage. Uninsured motorist coverage applies to bodily injury you, your family, and other occupants of your vehicle incur when hit by an uninsured motorist or hit-and-run driver. It also covers you and your family if injured as a pedestrian when struck by an uninsured motorist or hit-and-run driver. It protects you by making sure that money is available to pay for your losses that were caused by someone else. Uninsured motorist coverage does not cover your property damage and does not protect the other driver. Your insurance company may sue the other driver for any money the company pays you because of the other driver's negligence.

TEXTING BAN BEGAN DECEMBER 1, 2010



Source: AAA

Thanks in part to a national campaign sponsored by AAA, the act of composing or sending electronic text messages while driving became illegal in Wisconsin effective Wednesday, December 1, 2010. Wisconsin joined 30 other states in enacting this legislation, which prohibits behind-the-wheel texting via cell phones, laptop computers plus a host of other wireless communication devices. Authorized emergency personnel will be exempt as will the use of global positioning devices.

The Penalties For Texting

Under Wisconsin law, texting while driving will be classified as a primary offense, which means you can be pulled over and ticketed based on a text messaging offense alone. Violators will face fines ranging from \$20 to \$400.

Ban Backed By Public

This welcome reform stems from a groundswell of public support, punctuated by the National Highway Traffic Safety Administration's findings attributing nearly 6,000 deaths and 500,000 injuries in 2008 to distracted driving habits such as texting. Additional findings have shown that individuals who text while driving are more than 20 times more likely to be involved in a crash than non-distracted drivers. Wisconsin's new anti-texting law will help reduce this dangerous behavior and lead to safer roadways. For more information on the dangers of distracted driving, plus tips on managing distractions, AAA encourages you to read *The Facts About Distracted Driving* at AAA.com.

WISCONSIN'S DRIVER LICENSING SYSTEM

The Graduated Driver Licensing (GDL) system has requirements for young drivers age 15½ to 17. Beginning drivers start the licensing process with an instructional or temporary permit. The minimum age for applying is 15 years and six months. An applicant under 18 must have completed or be enrolled in an approved driver education and training course.

Driving under an instruction permit is tightly restricted. For example, a qualified instructor or a licensed driver with at least two years of licensed driver experience must occupy the seat beside the permit holder. If the permit holder is less than 16 years old, the accompanying driver must also be either a qualified instructor or the permit holder's parent or guardian or a licensed person, 21 or older, who has at least two years of licensed driving experience and who has been designated in writing to accompany the permittee by their guardian.

Under the GDL system, an individual under 18 must have at least 30 hours of driving experience with a learner's permit before they obtain a probationary license. The young driver must hold the permit for six months before he or she can apply for a probationary license. In addition, the young driver must not receive any traffic tickets during the six-month period immediately prior to application for a probationary license. Any traffic tickets issued while the driver has his or her learner's permit result in the imposition of double demerit points. A driver will have their learner's permit suspended for six months if they accumulate 12 or more demerit points in a 12-month period. The next licensing step for most instruction permit holders is the probationary license. The probationary license is a photo license valid for two years plus the period from the date of issue to the date of the applicant's next birthday.

In addition, the following restrictions are in effect during the first nine months of the probationary license or until the operator reaches the age of 18, whichever occurs first: i) the motor vehicle operator can drive alone, but passengers are limited to immediate family and one non-family passenger, and (ii) no driving is permitted between the hours of midnight and 5:00 a.m. unless the teenager is (a) driving to or from school or work, or (b) accompanied by a parent. These restrictions may be imposed for an additional six months if the driver is convicted of a traffic violation during the nine-month period or before he or she attains the age of 18, whichever occurs first. For most, the last step in the licensing process is the regular license. Most teenage drivers obtain their regular license at 19.

DON'T DRINK AND DRIVE

Youthful traffic offenders are generally treated the same as adults. With limited exceptions, the penalties and forfeitures are the same. However, a few offenses apply only to minors and drivers under age 21.

Drivers under 21 must maintain absolute sobriety while operating a motor vehicle. This is commonly referred to as the “not a drop law.” If an underage driver has a blood alcohol concentration (BAC) of more than 0.0% but not more than 0.08%, upon conviction the court **must** suspend the driver’s operating privileges for three months. The maximum forfeiture for this violation is small. If the driver’s BAC is 0.08% or more, the normal operating while intoxicated (OWI) penalties apply. For a first offense OWI, the minimum forfeiture, including court costs and other costs imposed by state law, is several hundred dollars. The court must also suspend the driver’s license for six to nine months and order the driver to participate in an alcohol assessment. The driver will pay the additional expenses for the alcohol assessment and for obtaining an occupational license, if granted.

For a second OWI offense within five years, the total forfeiture more than doubles and the driver must go to jail for a period of time. The driver’s operating privileges are also revoked for not less than one year or more than 18 months. A second OWI offense is a **crime** under Wisconsin law, not simply a traffic violation. For a third OWI offense within five years, the penalties are very severe.

Another traffic offense which applies to underage drivers is a law which prohibits the possession or transportation of alcoholic beverages (opened or unopened) in any motor vehicle unless the driver’s job requires him or her to do so. Upon the first conviction of such an offense, the court may suspend the driver’s operating privileges not less than 30 days nor more than one year. For a second or subsequent offense, the court may order a revocation for the same period.

In addition to suspension or revocation of operating privileges for incidents involving operation of motor vehicles, a minor may lose his or her driving privileges for alcohol-related offenses not involving the operation of motor vehicles. Wisconsin law prohibits any underage person (below the legal drinking age) from procuring, attempting to procure, possessing or consuming alcoholic beverages. Additionally an underage person may not enter or attempt to enter premises for which, a license or permit for the retail sale of alcoholic beverages has been issued, or falsely represent his or her age for the purposes of receiving alcoholic beverages. The penalty for the first violation of any of these laws is a small fine. The court may suspend your driver’s license for 30 to 90 days and order participation in a supervised work program. For a second violation within 12 months, the maximum fine increases and your driver’s license may be suspended for one year.

If a person under the age of 18 fails to pay the fine ordered by a court for his or her first moving vehicle violation, instead of a jail sentence which adults receive, the court may suspend the person’s operating privilege for a period not less than 30 days or more than 90 days. If the person pays the fine within 30 days after the suspension period starts, the suspension will be reduced to the minimum period of 30 days.

The Point System

The demerit point system attempts to weigh different traffic violations by their seriousness or accident-causing potential. A higher number of points are assessed for more serious traffic violations. For example, a driver convicted of speeding one to 10 mph above the limit is assessed three demerit points. A driver exceeding the speed limit by 20 mph or more receives six demerit points. **When a driver accumulates 12 or more points within any 12-month period, his or her license is automatically suspended.** The period of suspension may be as long as one year or as short as two months. One need only go back 12 months from the date of the present violation to determine whether a conviction based on that violation will cause a suspension or revocation. Points accumulated more than 12 months prior to the present violation date are no longer used for suspension or revocation purposes. Under Wisconsin’s graduated driving law, young drivers who are issued traffic tickets during their probationary license period will also receive double the demerit points. An operator’s probationary license will be suspended for six months if the operator receives 12 or more points in a 12-month period.

Suspension vs. Revocation

The primary difference between driver’s license suspensions and revocations is the reinstatement procedure necessary. In general, reinstatement after suspension only requires payment of a \$60 reinstatement fee at the end of the suspension period. No application or test is required. The one exception is that a license suspended due to an operator failing to establish proof of financial responsibility requires the operator to also file proof of financial responsibility with the Department of Motor Vehicles. Reinstatement after revocation is more involved. Generally, a person must file proof of “financial responsibility” unless three years has elapsed since the expiration of the revocation period. Financial responsibility can be proved by filing a certificate of deposit of money or securities worth \$60,000 (Note: This amount is subject to change.), filing a bond, filing a certificate of self-insurance, or by filing an SR-22 (proof that motor vehicle liability insurance policy was purchased). The person must also file an application, pass the required tests and pay the required fees.

Fake IDs Mean Trouble, Too

An underage person may not make, alter, duplicate, or carry an official ID card not legally issued to him or her, one that was obtained under false pretenses, or one that has been altered or duplicated to convey false information. Additionally, a violation of the law results if the minor presents false information to an issuing officer in applying for an official ID card. The possible penalties for these violations are the same as those for underage drinking. Taking the lead of the Wisconsin Legislature, the courts are increasingly suspending or revoking the operating privileges of minors for non-traffic violations. For incidents involving operation of a motor vehicle, the fines are higher and the suspension/revocation periods are longer. If the use of intoxicants is involved, the penalties greatly exceed those that apply to adult OWI violations. Underage drinking is simply not tolerated. The message is quite clear: Don’t Drink.