

In North Carolina, there is an old loophole in the car insurance rates for young drivers which has technically been closed but with the right help, you can still put this to work for you and cut your auto insurance costs by hundreds of dollars each year. At [Clinard Insurance Group in Winston Salem, NC](#), we specialize in helping families with [teen drivers](#) and we know exactly how to make this loophole work for you.

In North Carolina, when you add your teen driver to your policy you will see your rates shoot up to levels that will shock you. But the good news is that these super high rates don't last forever.

During the 3 year "inexperienced driver" period the insurance company can surcharge your policy to account for the fact that teenage drivers have accidents more frequently and their accidents are typically more severe.

So how does it work? Well, there are three different tiers, one for each year of experience that a [teen driver](#) has. So, in your teenager's first year of driving, he or she is in the highest rated tier and your policy is surcharged the maximum.

But after one year of driving, your teenager is technically eligible to be re-rated to the 2nd

tier, with lower surcharges. The third year of driving should find your teen driver in the least costly of these three experience period surcharges.

The problem is that the timing of your child's experience may not correlate well with your policy renewal dates so

you might find yourself paying extra surcharges to the insurance company.

Let's take an example. Assume your auto insurance policy renews on January 1st and runs for one year. No

Now let's say you add your teen driver to the policy on February 1st

, the day she gets her license.

Immediately, the insurance company charges your policy with your daughter at the highest rated inexperienced operator tier.

You grumble, pay the extra money and hope your child doesn't have an accident or get any tickets which will make all of this much worse.

The next year, on January 1st

, your policy renews and since your daughter is still in her first year of driving your renewal price still has the highest surcharge for an inexperienced driver.

Now on February 1st

of this second year, your daughter gains her first full year of experience.

So you would expect your rates to drop as she moves into the middle tier for inexperienced drivers.

But here is the rub:

the insurance company doesn't have to move your daughter to the middle tier and refund some of the money back to you.

The law says that they can wait until the next time your policy renews, which will be the next January.

In this case you would be overpaying the insurance company by nearly an entire year for the inexperienced driver surcharge.

If you knew the dollar amount of overcharge and it happened to you, you would be sick about it.

On average, at

[Clinard Insurance Group, Inc](#)

we are able to save our teen driver families \$387 per year by forcing the insurance companies to change the surcharge on the teen driver's anniversary of his or her license.

How do we do it?

It is simple really.

Because we specialize in

[helping families with teen drivers](#)

we understand exactly which companies will allow the surcharge to be changed in the middle of a policy term. And because we handle so many teen driver families, the insurance companies that we use are willing to accommodate our clients.

If a company won't allow this and the timing is bad, we will advise our clients not to purchase insurance from that company.

So what can you do to avoid overpaying for your teen driver? First of all, use [an independent agent](#) who

understands the ins and outs of [insuring families with teen drivers](#).

If you are having trouble finding an agent, give

[Clinard Insurance](#)

a call at 877-687-7557 or visit us on the web at

www.clinardinsurance.com

Secondly, during the years that you have a teen driver on your policy, always try to purchase policies with the shortest time frame possible.

Many companies will allow a 6 month policy and this can work to your advantage if your company refuses to adjust the inexperienced operator surcharges in the middle of the policy term.

If you would like more information about how to keep your young driver safe on the road, please visit our [teen driver safety site by clicking here](#) .