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Kids in college? Here is how to save on car insurance

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By Chris Taylor

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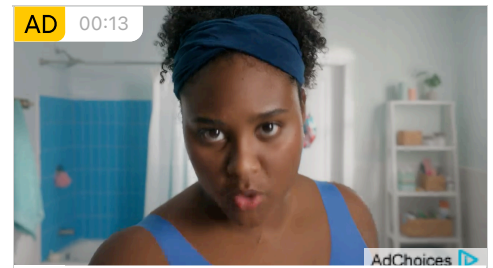


A car drives past the Carlson School of Management at the University of Minnesota in Minneapolis, Minnesota, U.S., September 19, 2018. Photo taken September 19, 2018. REUTERS/Koh Gui Qing/File Photo [Acquire Licensing Rights](#)

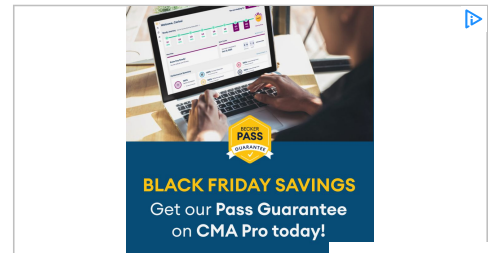
NEW YORK, Jan 30 (Reuters) - If you are a proud parent whose child has grown up and gone off to college, congratulations!

Now stop reading this and call your auto insurer. Ask what major discounts you qualify for with your kid away for most of the year.

Catherine Valega, a Boston financial planner with four daughters, has saved big bucks



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whenever each of her three older girls went off to McGill University in Montreal. She either got little-known "student away" discounts or dropped her children off the policy when they got their own car and coverage abroad.

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Saving a few hundred dollars per child per year can add up to thousands.

"It's a lot of money, so it is 100% worth having the conversation," said Valega. "No one really knows about this unless they find out from their neighbor – or read this article."

Parents of teenage drivers in particular experience sticker shock when it comes to car insurance.

Full coverage averages \$2,014 a year, a 2023 survey by financial services provider Bankrate showed. Add a 16-year-old driver along with two adults, and that shoots up to \$4,392 a year – or \$2,378 more.

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insurance rates jumped 13.72% between 2022 and 2023, Bankrate said.

Parents can expect to save 10-15% on premiums with such discounts, said Greg Smolan, vice president of insurance operations for AAA Northeast in Providence, Rhode Island.

Insurance policies are highly specific to your personal situation and provider, but here are a few factors to keep in mind.

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DISTANCE MATTERS

If little Johnny is going to college down the road, "student away" savings will not apply. Typically, students must live more than 100 miles away from home and they cannot bring their parents' insured vehicle with them for the school year.

"The magic number is 100 miles," said Smolan. "I have two teenage boys – one of them is over 100 miles away, and the other one isn't, so I only get the discount for one of them."

ASK ABOUT OTHER DISCOUNTS

Parents whose teenagers keep their grades up can see their premiums go down.

"A high GPA and driver's ed courses can help," said Christopher Giambrone, a financial planner in New Hartford, New York.

Depending on your insurer, you may be able to apply only one discount, or "stack" deals to enjoy multiple breaks, AAA's Smolan said.

SHOP AROUND – SMARTLY

If your car insurance is just too pricey even with a "student away" discount, you can always check out other providers. Just be wary of what you might lose with a switch.

"It's always good to price-check, but I would caution against leaving solely for a cheaper rate," Smolan said. "You might be losing all your longevity discounts – plus any grace and goodwill from being a longtime customer, if you ever have an accident."

CHANGE POLICIES CAREFULLY

An obvious way to save is to take your child off your insurance policy. Be careful, though, because presumably your kid will occasionally visit during the school year. With the "student away" option, they can still drive your car with coverage when they return on weekends or for holidays or summer break.

That coverage could also prove useful if they borrow someone else's car while away at college.

The "student away" discount is so under the radar that even your insurer's customer service reps may be unaware of it. If so, just ask for a supervisor, Valega said.

"I don't think people pay attention to this at all, but this is something every parent should consider."

Editing by Lauren Young and Richard Chang

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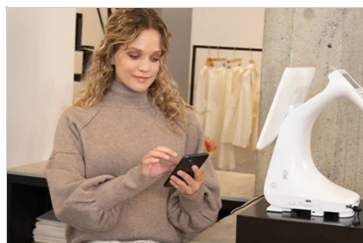


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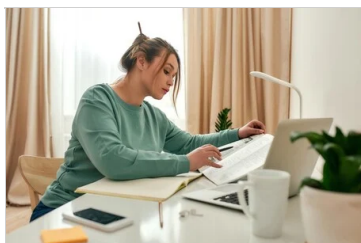
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