[Date]

[Teen's Name]
[Address]
[City, State, Zip Code]

Dear [Teen's Name],

Congratulations on reaching the milestone of becoming a licensed driver. This new freedom comes with significant personal and financial responsibilities. This letter outlines our expectations regarding your safety and the financial protection we have put in place for your future.

**1. Safe Driving Agreement:**
Operating a vehicle is a privilege. You are expected to follow all traffic laws, avoid distractions (no texting while driving), and never drive under the influence. Any traffic violations or accidents will result in a review of your driving privileges.

**2. Insurance Coverage:**
You have been added to our auto insurance policy. However, as part of our family's long-term financial planning, we are also addressing life insurance. This policy serves as a safety net to ensure that financial obligations can be met and that your future insurability is protected.

**3. Financial Contribution:**
To help you understand the cost of these protections, we have agreed on the following:
- Your contribution to the auto insurance premium: $[Amount] per [Month/Quarter].
- Your contribution to the life insurance policy: $[Amount] per [Month/Quarter].

**4. Accountability:**
Maintaining these payments and a clean driving record is your responsibility. These steps are designed to help you build a strong financial foundation and understand the true costs of independence.

Please sign below to acknowledge that you understand these responsibilities and agree to the terms of this agreement.

Sincerely,

[Parent/Guardian Signature]
[Parent/Guardian Name]

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**Acknowledgment:**

I, [Teen's Name], understand the responsibilities of being a driver and agree to the financial terms outlined above.

Signature: _____ Date: _____