

Step 1. I agree that I am at fault

As the at fault driver, you are liable to the other driver (or insurer) for the damages caused by your negligence. That is, that the damage was caused wholly or in part by your lack of reasonable care in the driving, control or maintenance of the car.

Generally, you will need to pay the reasonable costs of repairing the damage to the other car and any losses suffered by the other driver. As soon as you receive a claim you need to act promptly. If you do nothing this is what will usually happen: **Step 1**

- You may or may not receive a call or letter from the other driver or their insurer asking for you to contact the insurer and provide your version of events
- You may receive a formal letter of demand
- A debt collector may also contact you

Step 2

- You may receive a Statement of Claim or Summons from the Court

Note: Even if the insurer is pursuing you the court documents will be in the name of the driver or owner of the other car (the insured person) **Step 3**

- If you do not file a defence to the Statement of Claim or Summons issued by the other driver (the plaintiff), they can apply for judgment against you after a specified period of time. There will be no court hearing unless you file a defence. If you have already received court documents you should get legal advice.

Time to file a defence: NSW - 28 days; Victoria - 21 days; Queensland - 28 days; Northern Territory - 14 days; Tasmania - 21 days; South Australia - 21 days; Western Australia - 14 days. **Step 4**

- Once they have judgment the other driver or their insurer can use the Court's powers to get you to pay, for example, garnisheeing your wages, seizing property and/or making you bankrupt. Ideally, you want to make an arrangement to pay when you receive a letter of demand so you can avoid

Court action against you.

Now are you insured or not insured?