

Step 1. I am insured

If you are insured (comprehensive or 3rd party property insurance), you should consider lodging a claim with your own insurer without delay. This is often the simplest option for you, but you may need to pay an excess, and this may affect your premiums or no-claim bonuses. Your insurer should then sort it out with the other parties/insurer. What follows between you and your insurer will be determined largely by the terms of your insurance policy. You can access the Australian Financial Complaints Authority (AFCA), a free disputes service, for any problems with your claim. If you choose not to claim and you handle the negotiations with the other driver/their insurer yourself, you may not be able to change your mind later to claim on your insurance. Under most insurance policies, your own insurer has the right to conduct negotiations and settlements on the best terms they can, if you have interfered with this process or prejudiced the insurer's interests in any way (e.g. by admitting fault, or delaying claiming until legal costs have accrued), your insurer may reject or reduce your claim as a result. If you do have written negotiations with the other party you should mark your letters "without prejudice" at the top. If you do this, your letters cannot be used as admissions in court in the future but they can be used in relation to any dispute about the costs of the legal proceedings to show that you were prepared to compromise to try to settle the dispute. If you eventually decide to claim on your insurance, these written admissions may still count as prejudicing your insurer's right to act in your place.