

## Step 1. I don't agree with the amount claimed

**General information regarding damages** Generally in car accidents, the other party is entitled to recover damages caused by the at-fault's party's negligence. The damage in a motor vehicle repair claim is usually made up as follows:

- Repair cost of the damage caused or the market value of the vehicle, whichever the lesser
- PLUS towing costs
- PLUS hire car costs, lost wages or profits (called "demurrage")
- LESS salvage value (if market value of the car is claimed)

The costs that the other party can recover are limited to what is 'reasonable' given the circumstances (such as the age / make / model / condition of the car, and the availability of car repairers in the area). The party recovering damages also has an obligation to mitigate or minimise their losses - which means they can't hire a car for 10 weeks when the repairs should have been done in 2 weeks. The not at fault party or their insurer does NOT have to:

- get more than one quote
- allow you access to their car to perform your own inspections or get your own quotes
- wait for your approval before their customer's car can be repaired
- contact you within so many days or months of the accident, or keep you informed.

In most Australian jurisdictions, insurers have 6 years to chase you (except in the Northern Territory, where it is 3 years). If you believe your accident didn't cause the damage being claimed - for example, you hit the car on the left side and they are claiming for damage on the right side - you should gather as much evidence as you can to establish this. You can use our sample letter [here](#) to dispute the amount claimed.

**TIP:** The other party's insurance company may be obligated under their contract of insurance to their insured to pay more than what they may be entitled to recover at common law, for example, the insured may have an agreed value policy for more than the market value. The insurer cannot recover this amount from you. They can only recover the market value, or the reasonable repair costs from you, whichever is the

lesser. Now choose from the following: