

Step 1. I agree to the amount without an itemised invoice/quote and want to offer a lump sum

If you agree to the amount without an itemised quote and are able to offer a lump sum, even if it is less than the amount claimed, you can make an offer to settle the damages in full and final settlement. You should always get any settlement confirmed in writing. You should also be clear on what it is you are settling – is it all losses arising from the accident, or just the cost of repairs, or just hire car costs. If you only settle the repair cost, you can be chased later for other costs (e.g. hire car) from the insurer, or the other party directly. If you are dealing with an insurance company, you could use our [Offer to Pay an Insurance Debt Sample Letter](#). To find out how to confirm a settlement see:

- [Put it in writing](#) on the LawAccess NSW website
- [Sample terms of settlement](#) on the LawAccess NSW website.

Ultimately, if a negotiated outcome cannot be reached, the other party or their insurer can start court action for the amount they believe is justified. A court would then decide the correct assessment of damages based on the available evidence. Legal costs and Court costs will generally be added onto the amount claimed if this happens. You can choose to lodge a defence, but you must be careful and get legal advice first. The Court may make orders that one party pay the other party's costs – for instance, the Courts may order the losing party pay the reasonable legal costs of the winning party.

If the claim is under \$20,000 and run in the Small Claims Division of the NSW Local Court, the amount of legal fees is capped according to a scale based on the amount being disputed. Information about court fees and legal fees in the Small Claims Division can be found on LawAccess NSW's [What can they claim?](#) page. If you have already received court documents, you should get [legal advice](#) as you only have 28 days to respond. Start by contacting LawAccess NSW on 1300 888 529. You may be able to obtain free legal assistance from [Legal Aid NSW](#) or your local [Community Legal Centre](#). If you are unable to obtain free legal assistance, you may need to speak to a private lawyer. To find a private solicitor, contact the [NSW Law Society](#). You can also visit the [LawAccess NSW website](#) for practical guidance on [how to respond to a Statement of](#)

[Claim](#) in the Small Claims Division of the Local Court, which deals with claims for \$20,000 or less. If you are experiencing financial hardship in relation to the damage (no matter if the amount was reduced) and you cannot afford to repay, you should make an appointment to see a free Financial Counsellor (1800 007 007). If you are experiencing financial hardship and dealing with an insurer, you may be able to negotiate under the General Insurance Code of Practice for a reduced amount, payment plan or a release from the liability.