

## Step 1. I am at fault

**If you are at fault, you are legally responsible for the damages. You will have to pay the other party (or insurer) for:**

- the reasonable costs of repairing the damage to the other car, and
- any reasonable losses suffered by the other party.

When you receive the claim, you must act quickly. You should make an arrangement to pay or make a claim on your insurance as soon as possible so you can avoid any action against you. For more information visit [Responding to a Claim](#) on the LawAccess NSW website. If you do nothing you may:

- be contacted by the other party or their insurer asking for you to contact them and explain your version of events
- get a letter of demand
- be contacted by a debt collector
- get a Statement of Claim from the Court

Even if the insurer is chasing you, the court documents will be in the name of the driver or owner of the other car because they are the insured person. The other party is called 'the plaintiff' and you are called 'the defendant'. NOTE: If you get a Statement of Claim and you do not file a Defence within 28 days, the plaintiff can apply for judgment against you, without a hearing. Once the plaintiff has judgment, they can use the Court's powers to get you to pay by:

- garnisheeing your wages or bank account
- seizing property
- making you bankrupt

Ideally, if you agree you are at fault, you want to make an arrangement to pay (or make a claim on your insurance) so you can avoid Court action against you.

**Are you insured?**