Financial Rights
LEGAL CENTRE

Step 1. Should I be paid the agreed value or the market value?

The amount the insurer will pay you depends on whether you have insured your car for an agreed value or a market value. Agreed value is where you and the insurer have agreed in the policy about what you will be paid if the car is a total loss. For example, if you and the insurer agree that the car is worth $20,000 and then the car is a total loss, the insurer will pay you $20,000 (less any deductions refer to deductions). The agreed value will usually reduce automatically upon annual renewal of your policy because it is assumed that your car will depreciate (go down in value) over time. It will be difficult to dispute the agreed value (because you didn't actually "agree") at the time you make a claim if you have not raised this with the insurer upon receiving your renewal notice. If you think you have been treated unfairly, get advice.

The market value is what your car was worth if you sold it just before it was damaged. If you dispute the market value you need to get evidence of the value. Your evidence can include:

- an independent valuation
- advertisements for comparable cars
- estimated value from valuation websites eg. Redbook, Glass's Guide, or Drive