

Step 1. What am I entitled to?

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 you 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). You have an obligation to mitigate or minimise their losses. This means you must keep your costs reasonable. It is generally advisable to get more than one quote so that you can show that your costs are reasonable.

If your car is written off You will be reimbursed the market value of the car. The market value is what your car was worth if you sold it in the condition it was in just before the accident. It will almost always be less than the value of your car at the time of purchase as it loses value over time as you use it. For example, if you bought your car for \$20,000 and two years later the car is a total loss, the market value may only be \$15,000 or less. It can be very difficult to work out the market value of a car. If you dispute the market value given to your car, get evidence. Your evidence can include:

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