Written-off Vehicles

This factsheet contains general information. You should get legal advice about your personal situation.

Main ideas

- **An insurer may decide to 'write-off' your vehicle**
  - **If it is a 'non-repairable write-off', you cannot repair and register it**
  - **If it is a 'repairable write-off', you might be able to get authorisation to repair and register it**
- **Vehicles that have been written-off are recorded on the Written-Off Vehicle Register (WOVR)**
- **If you don't agree with the insurer's decision, complain and give evidence to the insurer quickly before they record it on the WOVR**
- **Don't let someone else's insurer assess your vehicle if you're worried it might be written-off – they can write-off vehicles too!**
- **If your insurer decides your claim is a total loss, they will usually deduct the excess, the rest of the year's premiums, and unexpired rego and CTP insurance from your payout (and keep the wreck)**

In this fact sheet:

If you are uninsured, the other party’s insurer may write-off your vehicle

If your vehicle is already on the WOVR

An insurer may decide to write-off a vehicle

There are laws across Australia that force insurers to report a vehicle as ’written-off’. Vehicles are written-off if the repair cost is more than the vehicle is worth, or it is unsafe to repair the vehicle. Sometimes this is called a total loss.

If an insurer assesses your vehicle, legally they must report it as a write-off if they think the damage fits that described under those laws.
This applies even if you are uninsured, and you let someone else’s insurer assess your vehicle.

There are two types of written-off vehicles (WOVs):

- WOVs that can’t be fixed because they are unsafe to repair (sometimes called ‘statutory write-off’ or ‘non-repairable write-off’).
- WOVs that can be fixed but which are uneconomical to repair (‘repairable write-off’). These may be repaired if permission is granted.

Written-off vehicles are recorded on the Written-Off Vehicles Register (WOVR). The register lets people know if they are buying a vehicle that’s been extensively repaired.

These laws usually apply to vehicles under 4.5 tonnes and less than 15 years old, and includes cars, motorcycles, trailers and caravans. There are some differences between each state and territory. Contact your local state road authority for more detailed information.

What your insurer pays if your vehicle is written-off

If your vehicle is written-off, your insurer will pay the sum insured less deductions.

The sum insured will be either an agreed value or market value – check your policy schedule.

Deductions are defined in your policy booklet (Product Disclosure Statement). Deductions could include:

Your excess
You will pay an excess if you at fault, and sometimes when you are not at fault. Your policy booklet will say when you need to pay, and your policy schedule will state how much.
Read our fact sheet about Paying Insurance Excess.
The rest of the year’s premiums

Your policy is yearly, even if you make payments monthly. The whole of the yearly premium is the cost of your insurance. If you haven't yet paid for the whole year, what is owing is deducted from your payout.

Unused part of your registration and Compulsory Third Party (CTP) insurance

In some states, the insurer will deduct these because you can get a refund of your unused CTP (from your CTP insurer) and unused registration (from your state's transport authority).

The value of the wreck – but only if you want to keep it

Insurers get to keep the wreck in total loss claims. If you want the wreck, you will need to buy it from the insurer. Let the insurer know early so they don't sell the vehicle. Also check with your state's road authority that the vehicle can be re-registered, and the cost of this.

Repairable write-offs

> *If: **Salvage Value + Cost of Repairs***
> *is more than **Market Value of Vehicle (pre-accident) or Sum Insured***
> *then the vehicle will normally be declared a repairable write-off.*

If you want to repair the vehicle, always check with your state's road authority first to see if it can be re-registered and driven – before you spend any money on repairs!

Once repaired, your vehicle may still be listed as a 'repaired write-off'. This may affect the value of the vehicle. The WOVR is designed to protect other road users buying a vehicle which has substantial repairs.

Unrepairable write-offs

In all states and territories, vehicles written-off as unsafe to repair cannot ever be re-registered. These vehicles will have sustained significant damage – such as excessive structural, fire or water damage, or excessive stripped parts and components.

Each state's laws go into specific details – for example, if your car is flooded above the lower door sill, or some section of the car was fire blistered, it becomes a write-off. Different types of vehicles (like cars, motorbikes, light trucks) have different criteria for being a write-off. There may be special provisions for hail (for example, it still needs to be reported, but registration is not automatically cancelled).

Disputing your insurer's decision to write-off a vehicle

When you are insured, an insurer can choose how they settle your claim. Usually your policy booklet (Product Disclosure Statement) will say the insurer can:

- repair (or pay you the repair cost), or

- declare your vehicle a total loss and write it off.

The insurer will usually assess the vehicle first, get quotes to repair it, and work out the value of the salvage. If you think the insurer's decision is wrong, complain quickly and ask them not to report your vehicle to the WOVR. The insurer must notify the WOVR within 7 days of assessment. They probably will not change their original decision after they have notified the WOVR.

If the insurer declares the vehicle has 'non-repairable damage' you will usually need expert evidence that the insurer was wrong. You will need to show the damage doesn't meet the definition of a non-repairable write-off.

If the vehicle has repairable damage, and you want your insurer to fix your vehicle, you will need evidence to show that the repairs or salvage value are cheaper than the market value and sum insured of the repaired vehicle. Consider:

- Quotes from a salvage yard about salvage value (or visit the Pickles website for salvage car valuations).
- Quotes from a smash repairer about what the repairs should cost. Insurer's quotes may be different from yours as they need to repair the vehicle to certain standards and guarantee the repair. Your smash repairer may not be repairing all the damage and may not be guaranteeing the repair. Your quotes must be for the same level of repair as the insurer's.
- Evidence of market value of your vehicle (pre-accident) (see Redbook Cars or Glass's Australia).

Give the evidence to the insurer immediately. Ask them not to report your vehicle as a write-off.

If they do not agree, you should immediately complain to the internal dispute resolution department of the insurer. For more information see our Insurance Dispute Resolution fact sheet.

You can also complain to the Australian Financial Complaints Authority (AFCA), but it may take time. AFCA cannot make the WOVR remove a listing, and may not force the insurer to amend the WOVR. AFCA can award compensation for financial loss, and non-financial loss like excessive inconvenience, stress and delay.

If you want the vehicle back from the insurer, even with the write-off listing

Once a listing is made, it can be incredibly difficult, or impossible, to remove a listing in some states.

If you just want the vehicle back, and you can live with the listing, you can:

- **If you think the vehicle was wrongly listed on the WOVR**, complain about the insurer's decision to write-off the vehicle. Give evidence about why you think the decision was wrong. You can ask the insurer to:
  - do the repairs for you (including getting any authorisations to repair and meeting any requirements to do so), or
  - pay you the cost of repair and give you the vehicle. You may also be able to argue for other losses too, such as for stress, delay and inconvenience.
- **If the vehicle was correctly listed as a write-off**, the claim will be paid as a total loss and the insurer gets to keep the wreck. But you can negotiate with the insurer to buy back the wreck. Ask to do this as early as possible, as part of negotiating whether the claim should be a total loss or a repair. You need to pay a fair amount for the salvage. Paying for the wreck and the repairs could cost you more than the vehicle is worth, and your vehicle may be worth less because of the write-off listing. Check you can get an authority to repair and re-register your vehicle, and check the costs. Your policy will end if you have been paid out a total loss and your insurer may not insure your car again.

If you are insured and the insurer refuses to write-off the vehicle

Sometimes you may not feel safe in your vehicle, even if it is repaired.

The insurer has the right to choose to repair your vehicle if it is economical and the damage does not meet the non-repairable damage criteria.

Usually the insurer will have a qualified smash repairer's opinion/quote to support their decision. If the insurer does the repairs for you, it will come with a guarantee and you can go back to the insurer or AFCA if there are problems with the quality of those repairs.

To dispute their decision not to write-off the vehicle, you will need good evidence that either:

- the vehicle sustained non-repairable damage or is not safe to repair
- the vehicle is more expensive to repair than replace, taking into account salvage value.

If you are uninsured, the other party's insurer may write-off your vehicle

Sometimes the at-fault party's insurer may ask to assess your vehicle. They may even offer to repair it for you.

When an insurer assesses a vehicle they have obligations under the WOVR, whether you are their customer or not. All insurance companies who assess vehicles must notify the WOVR.

If you do not want your vehicle on the WOVR, but you are worried the repair cost may be more than the market value (taking into account the salvage value too), **do not let the insurer assess it.**

Instead, you can send a letter of demand to the insurer for what losses you are claiming (common law damages). This can include losses such as:

- Lower of either:
  - reasonable repair cost, or
  - reasonable market value/replacement cost MINUS salvage value
- PLUS reasonable towing costs
- PLUS reasonable incidentals – such as hire car costs, lost wages or profits.

What is 'reasonable' will depend on the situation – such as the age / make / model / condition of the vehicle, and how many repairers are available in your area.

The idea is to put you back in reasonably the same position as you were in before the accident – but you must act reasonably and minimise the loss. So usually you are expected to replace the vehicle if it's cheaper than repairing it (and taking into account how much the wreck could be sold for).

If you really want to repair the vehicle, you can send a letter of demand to the insurer with the repair bill. But it's likely the insurer will only offer to pay you the market value (minus the salvage value). You would then need to add some of your own money to fix the vehicle. Get legal advice if you have special circumstances you think should be taken into account.

If your vehicle is already on the WOVR

Once the insurer has notified the WOVR it can be very difficult, sometimes impossible, to remove the listing unless the insurer agrees they were wrong.

Check with your state's roads department to see if they have a process for complaints.

If you are dealing with your own insurer, you can also complain to Internal Dispute Resolution of the insurer (read our fact sheet on Insurance Complaints to AFCA) and on to the Australian Financial Complaints Authority (AFCA).

In some states, you can obtain an authorisation to repair a repairable write-off. Even after repairs, the vehicle will often still be listed as a ‘repairable write-off’ or ‘former WOV’ on the WOVR. This may reduce its value. The purpose of the law is to notify potential buyers that the vehicle has been damaged in an accident and has had substantial repairs.

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