

Always insure your vehicle

In Australia, all registered vehicles must have [Compulsory Third Party \(CTP\) insurance](#). This insurance covers the cost of injuries for the 'third party', such as pedestrians, other drivers, cyclists, passengers etc. It doesn't cover any damaged vehicles or property.

But do you need more cover than that?

Yes! Just because you're not required by law to carry additional insurance doesn't mean you should opt out.

You might be a safe driver, but you can't predict what other drivers will do. **Even if you don't cause the accident, you might get stuck with a massive repair bill if you don't have insurance.** You could also end up without your vehicle for days, weeks or indefinitely.

Even if your car isn't worth much, **what if you accidentally hit a brand-new Mercedes?** Without insurance that **could cost you thousands of dollars in repairs.** You may also have to pay for the other person's hire car and other costs, while their car is being repaired.

While not having insurance might save a few dollars in the short-term, it could end up being a financial and a legal nightmare. **Don't risk it!** Get motor vehicle insurance. Many insurance companies let you pay by the month which can make it easier to budget for.

If you need legal advice after an accident on the road, [our Legal Service](#) can help you. [Contact us for advice.](#)

Further information

For more information on the major types of motor vehicle insurance policies and how they protect you, [read Moneysmart's guide to choosing car insurance.](#)

Disclaimer

This information is current as at December 2023 and is intended as a guide to the law as it applies to people who live in or are affected by the law as it applies in NSW. It does not constitute legal advice.

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