126031 - If he hits a car and the insurance pays some of the costs to the other party, does he have to pay the rest?

the question

I live in Australia, where if someone owns a car, they would have to take a Compulsory Third Party Insurance, which only covers any damage to the person with whom the accident happened... Now, with the scholars over here, they have no doubt that since it is compulsory on a car, its ok to take this insurance. But in regards to the Property damage, it is still unclear... i.e. Suppose 'xyz' hit a car and there was some damage to the other car and the person got unjuries.. This CTP would cover the unjuries to the person, but not on the damages to the other person's car... So, this person 'xyz' has to pay for the expenses of fixing the other party's car from his pocket.. You can imagine the costs this 'xyz' has to bear if he hits a Rolls Royce, Mercedes or Ferrari, though he himself was driving a cheap car... Can you suggest on this...

Detailed answer

Praise be to Allah.

Firstly:

Commercial insurance in all forms is haraam, but if a person is compelled to take out third-party insurance, then there is nothing wrong with that and the sin is on the one who compelled him to do that. Please see question number 45918, 8889 and 102969.

Secondly:

If there is a collision between two cars, then the one who is at fault must compensate for loss of life or limb or property that he caused. So he must pay diyah for lost lives or injuries, and he must also repair whatever has been damaged on the car, in addition to the difference in price between the sound car and the one that has been repaired. This is something that is neglected by many

people.

If the insurance company pays for some of the above, then he must pay for the rest, no matter how much it is, and his duty cannot be discharged unless he does that, unless the injured party lets him off.

Shaykh Ibn Uthaymeen (may Allaah have mercy on him) said: The issue is not just that of repair, rather it is repair plus the devaluation of the car as the result of the collision. This is a matter which many people perhaps do not pay attention to. But everyone knows the difference between the value of a car that has been in a crash, even if it has been repaired, and its value if it has not been in a crash. End quote from Fataawa Noor ‘ala al-Darb.

And Allaah knows best.