



GICOP – Financial Hardship – procedure (2021)

Purpose: We will offer financial hardship to our customers in accordance with the procedure set out below to bring us into compliance with the *General Insurance Code of Practice (GICOP)*.

As we only sell wholesale insurance, Part 9 of *GICOP (Supporting Customers Experiencing Vulnerability)* does not apply.

This procedure relates to Part 10 of *GICOP: Financial Hardship* .

Who is entitled to claim financial hardship?

We will consider offering financial hardship support to:

- an individual Insured or a Third Party Beneficiary who owes us money — including an excess — under an insurance policy we have issued; or
- an individual and we are seeking to recover money from because we believe this person caused damage or loss to either an Insured, or a Third Party Beneficiary who we cover under an insurance policy

The support that we provide does not include support with paying premiums under an insurance policy we have issued.

What we do if we become aware that an individual that is unable to meet their financial obligations to us?

We will request information only if it is reasonably necessary for us to assess the application for Financial Hardship support. When assessing an application for Financial Hardship support, we will consider all reasonable evidence, including objective evidence of illness, disability, social security entitlements or unemployment

If we become aware that an individual eligible for financial hardship is suffering from financial hardship, we may consider offering deferred or instalment payment options subject to the following:

- 1) the individual demonstrating that they are suffering financial hardship and completing the **attached** Statement as to Property and Means (for individuals and small business); and
- 2) reaching an agreement to enter a deferred payment schedule to reimburse us for the cost of their outstanding obligation to us.

We may also consider, at our sole discretion, whether the applicant's circumstances warrant waiving any obligations or debts owed to us.



How long does this process take?

We must provide our decision about whether to offer Financial Hardship support within 21 Calendar Days after we receive all relevant information in support of such a claim.

If, after we receive an application for Financial Hardship support, we need more information from the applicant before we can make our decision, then we will:

- (a) tell the applicant the information we need as early as possible; and
- (b) be specific about the information we need.

The applicant will have 21 Calendar Days from the date of our request to provide that information to us, unless we have agreed to a different timeframe.

If we do ask the applicant for more information and the applicant does not provide all information we requested within 21 Calendar Days (or by a later date we agree to), then within 7 Calendar Days of that deadline passing, we will tell the applicant in writing, our decision about whether to give the applicant Financial Hardship support.

Communication

We will write to the applicant's broker or representative to confirm any arrangement we reach in relation to Financial Hardship support..

If we decide the applicant is entitled to Financial Hardship support, then the applicant may ask us to release, discharge, or to waive a debt or obligation. However, the applicant is not automatically entitled to this and will only be offered at our discretion. If we agree to release, discharge or waive a debt or obligation, then we will confirm this with the applicant or its representative in writing.

If we decide that the applicant is not entitled to Financial Hardship support, we will tell the applicant or its representative the reasons for our decision and about our Complaints process.

The applicant can ask us to notify any financial institution with an interest in its insurance policy that the applicant is entitled to Financial Hardship support and, if applicable, that we have released, discharged or waived a debt or obligation. If the applicant asks us to do this, then we provide confirmation about this in writing.

If the applicant tells us that they intend to declare bankruptcy, then we will work with the applicant (or the applicant's representative) to agree on the amount owed. We will also give the applicant written confirmation of that amount for the purposes of the applicant's declaration of bankruptcy.

If the applicant's circumstances change, then the applicant may re-apply for Financial Hardship support in relation to the amount the applicant owes. However, for any further application the applicant makes, it will be at our discretion whether we again put any recovery action on hold.



Debt collection and recoveries

If we are taking action to recover an amount owed to us, we will put that action on hold if we identify that you are experiencing Financial Hardship. When we put the action on hold, we will contact any Collection Agent or solicitor that we have appointed and tell them the action is on hold. The action will stay on hold until we have assessed the application for Financial Hardship and notified the individual of our decision about it.

We, as well as any Collection Agent or solicitor collecting money for us, will comply with the Debt collection guideline: for collectors and creditors published by the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission.

We, as well as any Collection Agent or solicitor collecting money for us, are required to:

- (a) understand the Financial Hardship requirements in the Code; and
- (b) receive training to help identify whether the applicant might need Financial Hardship support.

When we, our Collection Agent or solicitor, first communicates with the applicant about any money owed, then we will ensure that this communication will provide the applicant with information to show that the amount we are seeking to recover from the applicant is fair and reasonable. This may include:

- (a) information on the relevant loss and/or damage and the claim;
- (b) the actual cost of completed repairs; and
- (c) the evidence we relied on when we calculated the amount.

This communication will also include:

- (a) information about our Financial Hardship process; and
- (b) contact details to enable the applicant to contact us to discuss Financial Hardship support or if the applicant has any questions.

If our Collection Agent or solicitor communicates with the applicant or its representative about money owed, then that communication will identify us as the insurer that they are acting on behalf of and will specify the nature of our claim against the applicant. If the applicant tells our Collection Agent or solicitor that the applicant is experiencing Financial Hardship, then they must notify us and give the applicant information in writing about our Financial Hardship process.

Caveats

Any request to reduce or remove the excess altogether will need to be treated as an ex-gratia request and the ex-gratia process will need to be followed. Ex-gratia payments require the express authority of insurers.

If we agree the applicant is entitled to Financial Hardship support, but we are unable to agree about how the applicant can be supported, then we will tell the applicant in writing, about our Complaints process.

If appropriate, inform the broker or individual of the National Debt Helpline: 1800 007 007.



Statement as to Property and Means

I (insert name) of
..... (insert address) declare that the following
statement of my present assets, income and liabilities is a true statement as to my property and means:

I have also attached the following documentation:

- Bank statements
- Loan statements
- Tax returns

I support myself and dependants (insert number).

Income

Net wage or salary	\$p.w
Social Security	\$p.w
Child Endowment	\$p.w
Income of your spouse or any family members living with you	\$p.w
Other	\$p.w
TOTAL	\$p.w

Expenses and Liabilities

Regular weekly expenses

Mortgage repayments	\$p.w
Rent or board	\$p.w
Rates (council and water)	\$p.w
Food	\$p.w
Gas and electricity	\$p.w
Telephone, TV, internet	\$p.w
Fares, transport costs	\$p.w
School expenses	\$p.w
Insurance/superannuation	\$p.w
Hospital/medical fund	\$p.w
Motor vehicle running exp	\$p.w
	\$p.w
	\$p.w
	\$p.w
	\$p.w
TOTAL	\$p.w



Debts, credit cards and other liabilities

Amount owing	Description (card, bank, etc)	Weekly payment
		\$p.w
		\$p.w
		\$p.w
		\$p.w
TOTAL		\$p.w

Assets

Any houses and land you own

A. Total value	\$
B. Amount owing on mortgages	\$
Net value (A minus B)	\$
Location of the property(ies)	

Other property you own (Not under hire purchase)

Motor vehicles	\$
Registration numbers:	
Furniture	\$
All other goods	\$
Shares or investments	\$
TOTAL	\$

Bank or building society accounts

Bank and Branch	Account Number	Balance
		\$
		\$
		\$
		\$
		\$



I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act 1900.

Declared at _____ On _____
(place) (date)

Signature of deponent _____

Name of witness _____

Address of witness _____

Capacity of witness _____

And as a witness, I certify the following matters concerning the person who made this affidavit (the deponent):

(TICK THE APPROPRIATE RESPONSES)

1. ☐ I saw the face of the deponent. OR
- ☐ I did not see the face of the deponent because the deponent was wearing a face covering, but I am satisfied that the deponent had a special justification for not removing the covering.

AND

2. ☐ I have known the deponent for at least 12 months. OR
- ☐ I have confirmed the deponent's identity using the following identification document:

Identification document relied on (may be original or certified copy)

Signature of witness

and date
