



**G A R D**

# Financial Hardship Policy

GARD Insurance Pty Ltd

AFS License No479125

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## 1. Purpose

In relation to dealing with cases of Financial Hardship and urgent financial need of assistance matters, GARD Insurance must comply with the obligations of the General Insurance Code of Practice (Code), the Australian Financial Complaints Authority (AFCA) Terms of Reference and GARD's internal policies and procedures.

The Financial Hardship Policy is aligned to the Code and AFCA Terms of Reference.

We value our Customers', and we appreciate the adverse impact Financial Hardship can have on Individuals and their families. We are committed to adopting the essential elements of the Financial Hardship provisions as described in Section 10 of the Code. We are also committed to acting in a fair, transparent, considerate, and timely manner when assessing applications for Financial Hardship.

## 2. Definition of Financial Hardship

Financial Hardship means where an Individual has difficulty meeting their financial obligations to

GARD, including where an Individual: a. cannot pay a claim excess to GARD or GARD is attempting to recover money from an Individual.

## 3. Who does this policy apply to?

- ▷ An individual or Third Party who owes GARD money under a GARD insurance policy or
- ▷ An individual GARD is seeking recovery from, for damage or loss caused by them to an Insured or Third Party Beneficiary that GARD covers under an insurance policy; or
- ▷ A Retail Client of GARD as defined by section 761G of the Corporations Act 2001, or such person who holds a Retail Insurance product with GARD; or

## 4. Scope

The Policy outlines the procedure of GARD in handling and responding to:

- ▷ Requests for Financial Hardship assistance from an Individual(s);
- ▷ Requests for Financial Hardship assistance from an Individual(s) affected by Family Violence; and
- ▷ Requests from Individuals who are in urgent financial need of the benefits that they are entitled to under their insurance policy, because of the event causing the claim.
- ▷ a Wholesale Client of GARD who holds a general insurance product covered under the Code which is not a Retail insurance product.

**Financial Hardship assistance does not apply to the payment of premiums under an insurance policy that GARD has issued.**

## 5. Standards

In assessing a request for Financial Hardship or an urgent financial need of assistance, reasonable evidence may assist, such as:

- ▷ Bank statements
- ▷ Centrelink statements

- ▷ Payslips
- ▷ Letter from doctor confirming inability to earn income due to disability, injury, illness or caring for sick family member
- ▷ Overdue medical bills/medical expenses
- ▷ Bank notice re: unpaid overdraft or repossession of mortgaged property
- ▷ Eviction notice
- ▷ Copies of unexpected bills/payments
- ▷ Pending disconnection of essential services
- ▷ Letter from former employer confirming loss of employment
- ▷ Letter from charitable organisation re loss of employment or inability to provide for basic necessities
- ▷ repossession notice of essential items, eg. car, motorcycle
- ▷ Funeral expenses
- ▷ Notice of impending legal action

GARD must only request information that is genuinely necessary to assess an application for Financial Hardship or an urgent financial need of assistance. If an Individual affected by Family Violence has made an application for Financial Hardship or an urgent financial need of assistance, the amount of information and documentation required must be minimised.

All personal information, either provided by or requested from an Individual, must be collected for the sole purpose of assessing the individual's request for Financial Hardship or an urgent financial need of assistance. Such information is often sensitive and must be managed in accordance with GARD Privacy Policy.

If an Individual identifies to a GARD employee that they are affected by Family Violence, then the employee should ask about the Individual's financial situation to understand whether they may be experiencing Financial Hardship.

A request for Financial Hardship or an urgent financial need of assistance can be made in person or by a representative (such as a financial counsellor) in writing (letter, fax and email) or by telephone. If the relevant Individual is having difficulty articulating their situation, employees may help formulate their case or refer the Individual to an external body who may assist. Where possible, GARD will use the Individual's preferred method of communication.

If after GARD receives a Hardship Application Form for Financial Hardship or urgent financial need of assistance, GARD requires further information before deciding, GARD must tell the Individual the information required as early as possible and be specific about the information required.

Resolutions to cases of Financial Hardship and urgent financial need of assistance will depend on the individual circumstances surrounding the case, however all cases will be handled using a conciliatory approach.

## 6. Financial Hardship assistance

GARD should notify an Individual of whether they are entitled to Financial Hardship assistance quickly and appropriately. This means that GARD should:

- ▷ a) understand the Individual's financial difficulties and their impact;
- ▷ b) as soon as possible, identify and ask for any additional information required to assess the Individual's application;

- ▷ c) only request information that is genuinely necessary; and
- ▷ d) ensure that any request for information does not unreasonably or unnecessarily delay GARD's assessment of the Individual's application for Financial Hardship assistance.

All Financial Hardship cases must be referred to the Managing Director for action.

If an Individual informs GARD that they are experiencing Financial Hardship, GARD must provide an Application for Financial Hardship Assistance form and if appropriate, the contact details for the National Debt Hotline (1800 007 007).

If an Individual informs a GARD service provider that they are experiencing Financial Hardship, the service provider must notify GARD, or advise the Individual to notify GARD, and provide the Individual with details of GARD's Financial Hardship process.

If an Individual informs GARD or a GARD service provider that they have been affected by Family Violence and are experiencing Financial Hardship, the request must be fast-tracked. The consent of any co-insured is not required to review an application for Financial Hardship.

If an Individual applies for Financial Hardship assistance, GARD must contact any relevant Collection Agent and put any recovery action in relation to that amount on hold until the application is assessed, and the Individual is notified of GARD's decision.

## 7. Timeframes

We will tell you in writing of our decision about whether to give you Financial Hardship support within twenty-one (21) Calendar Days after we receive your application, unless we have asked you to provide us with more information.

If we do ask you for more information and

- ▷ You provide all information we requested, then within twenty-one (21) Calendar Days of receiving it we will tell you in writing, our decision about whether to give you Financial Hardship support; or
- ▷ You do 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 you in writing, our decision about whether to give you Financial Hardship support.

## 8. Urgent Need of Financial Assistance

If an Individual reasonably demonstrates they are in urgent financial need of the assistance they are entitled to under their insurance policy because of the event causing the claim, within five (5) business days GARD must:

- ▷ Fast-track the assessment and decision process of the Individual's claim; and/or
- ▷ Make an advance payment to help the Individual alleviate their immediate hardship; and
- ▷ Provide details of their Complaints Process if the Individual is not happy with GARD's decision.

GARD will attempt to expedite the assessment of a claim, rather than facilitating payment in advance of a claim assessment decision. However, in some circumstances where there is a delay in obtaining sufficient evidence to assess a claim and the assessment will take more than five (5) business days, GARD may make an advance payment to alleviate an Individual's situation.

## 9. Standards for collecting money

GARD and its service providers (such as Collection Agents or Solicitors) must comply with the Australian Competition and Consumer Commission (ACCC) and the Australian Securities and Investment Commission (ASIC) debt collection guideline (RG 96: Debt Collection Guideline: For collectors and creditors) when taking any recovery action.

When GARD and its service providers first communicate with an Individual regarding the amount of money owed, then GARD will ensure that this communication must provide information showing that the amount GARD is seeking to recover is fair and reasonable. This may include:

- ▷ information on the relevant loss and/or damage and the claim;
- ▷ the actual cost of completed repairs;
- ▷ the evidence GARD relied on when GARD calculated the amount;
- ▷ information about GARD's Financial Hardship process;
- ▷ fast-track the assessment and decision process of an Individual's claim; and/or
- ▷ contact details to enable an Individual to contact GARD to discuss Financial Hardship support or to ask any questions.

If GARD authorises a service provider to send an Individual any communication about money that is owed to GARD, that communication must identify GARD as the insurer on whose behalf the service provider is acting and specify the nature of the claim against the Individual.

If an Individual advises a service provider of GARD that they are experiencing Financial Hardship, then the service provider must notify GARD and provide information in writing about GARD's Financial Hardship process.

## 10. Training, promotion and understanding of this Policy

GARD's commitment to dealing with cases of Financial Hardship and urgent financial need of assistance includes providing training to employees and its service providers and having systems and policies in place to help identify if an Individual is experiencing Financial Hardship and how GARD can support the Individual.

GARD is responsible for including information about the Financial Hardship process in debt recovery letters.

GARD is responsible for ensuring that its employees and service providers involved in the recovery of money owed to an Individual:

- ▷ understand, and know they must comply with, the Code's Financial Hardship standards.
- ▷ are trained to recognise when someone is in Financial Hardship; and
- ▷ can make reasonable enquiries about an Individual's Financial Hardship.

Employees are provided with systems and appropriate authority to handle cases of Financial Hardship and urgent financial need of Assistance at the first point of contact. Where the case is of a more serious or non standard nature, employees are given guidance and assistance by team leaders, managers and other training and procedure material

## 11. What other support is available?

Organisation	Contact Number	Purpose
National Debt Helpline	1800 007 007	Free, confidential, independent financial advice.

ASIC Money Smart website	<a href="https://moneysmart.gov.au">moneysmart.gov.au</a>	Free Calculators, tips & Guidance
Good Shepherd website	<a href="https://goodshep.org.au/">https://goodshep.org.au/</a>	for affordable financial programs for people who are financially excluded