

## Financial Hardship Policy

### 1. Purpose

Topsail Travel Insurance (Topsail') (ABN 74 149 217 925) is committed to providing support to Customers experiencing Financial Hardship. This Financial Hardship Policy ("Policy") sets out how Topsail will support Customers who are affected by Financial Hardship and has been endorsed by the CEO of Topsail.

The Policy is maintained and reviewed regularly by the CEO. The content of the Policy has been communicated to all staff and Topsail ensures there is appropriate training and monitoring of compliance.

References to the Policy are references to the Topsail Financial Hardship Policy. References to "We"/"Us"/"Our" means Topsail and "You" means You as a director, employee or other person who works for Topsail. For the purposes of this Policy, "Customer" means an individual insured, a third- party beneficiary or an individual from whom Topsail is seeking to recover money.

The purpose of this Policy is to set out:

- what is Financial Hardship;
- what information and documents a Customer needs to provide to make an application for Financial Hardship support;
- the application process to apply for Financial Hardship support; and
- the end-to-end process for identifying and providing timely, consistent and targeted assistance to those Customers affected by Financial Hardship.

### 2. Scope

This Policy applies to all retail products and services offered by Topsail.

### 3. Definition of Financial Hardship

#### What is Financial Hardship?

For the purposes of this Policy, "Financial Hardship" means difficulty meeting financial obligations, including obligations owed to Topsail. Financial hardship has the following characteristics:

- Significant – Financial Hardship represents a significant impact on the customer's ability to meet their financial obligations. This can be either caused by the customer's ability to generate income being impacted or caused by additional unavoidable expenses.
- Urgent – Financial Hardship requires immediate action to assist the customer to alleviate their financial situation.
- Unforeseen – Financial hardship is an unforeseen change to the customer's situation, that has occurred after the commencement of this Policy and is outside the control of the customer.
- Temporary – Where a customer is offered a financial hardship dispensation, Financial Hardship must be temporary, that is, not permanent, and a customer expects that the financial emergency will pass.

All of the above characteristics must be present for there to be Financial Hardship.

### **Who is entitled to support under this Policy?**

The following Customers will be entitled to support under this Policy:

- an individual insured or a third-party beneficiary who owes us money - including an excess - under an insurance policy issued by Topsail;
- an individual that Topsail is seeking to recover money from because Topsail believes such individual caused damage or loss to either an individual insured, or a third-party beneficiary it covers under an insurance policy; or
- a Customer making a claim under their policy due to an event that has caused them to also be in Financial Hardship and urgent financial need of the benefits they are entitled to under their policy.

Note: Support under this Policy does not include support with paying the premiums under an insurance policy issued by Topsail.

### **What are the causes of Financial Hardship?**

Common causes of Financial Hardship include:

- Involuntarily unemployment or a significant reduction in income;
- Disability, including a disability caused by mental illness;
- Death or serious injury or illness of spouse or financial dependent, serious injury or illness of policy owner;
- Divorce or breakdown of a spousal relationship;
- Property loss or other financial impact due to a natural disaster;
- Being forced out of their home due to eviction or other non-voluntary action; or
- An unexpected and non-discretionary significant cost.

The above causes are indicators of Financial Hardship. The Customer will still need to meet all of the characteristics of Financial Hardship as described above (significant, urgent, unforeseen and Temporary) to be eligible for support under the terms of this Policy.

## **4. Approach to Financial Hardship**

### ***What is the process?***

Where a Customer requests assistance under the Policy, We will:

- provide the Customer with an application form for Financial Hardship support as soon as reasonably practicable. Application forms will be dealt with by the Managing Director or where necessary Topsail's capacity provider and assessed in accordance with the terms of this Standard.
- if appropriate, provide the Customer with the contact details for the National Debt Helpline: 1800 007 007; and
- put any action to recover an amount from the Customer on hold pending the outcome of their application for Financial Hardship support.

We may request any of the following documents from the Customer in order to make Our assessment provided that they are reasonably necessary for Us to make the assessment:

- 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, e.g. car, motorcycle;
- Funeral expenses; or
- Notice of impending legal action.

If further information is required from a Customer before a decision can be made, We must communicate this to the Customer as early as possible and be specific about the information required.

We must communicate with the Customer about their application and where possible, use their preferred method of communication. If the Customer has nominated a representative, then We must keep that person updated about the Customer's request for Financial Hardship support, unless the Customer has requested otherwise.

## **5. What support can be provided to a Customer**

When determining what support will be provided to a Customer, Topsail will adopt a case-by-case approach to dealing with the following:

- Granting an extension of due date for payment having considered all the evidence.
- Allowing payment in instalments, taking into account what the Customer can afford and over what timeframe. No reasonable request will be refused.
- Postponing one or more instalments. When making this assessment, We will give consideration to what is a reasonable time in which the Customer will be able to make payment

When determining the most appropriate option for a Customer, Topsail may consider a combination of the above options.

Additionally, Topsail will consider a release, discharge or waiver of a debt. Where We release, discharge or waive a debt, We may be asked by a Customer to notify a financial institution with an interest in their insurance policy that they are entitled to Financial Hardship Support and that We have released, discharged or waived a debt or obligation. We must agree to assist Customers who make such a request and provide the necessary information to the financial institution in writing.

#### ***Approval escalation process***

The Standard defines a two-level escalation process for approvals. Firstly, an application request is initially sent to the CEO for consideration. Secondly, if required, We will then send the application to the relevant capacity provider for approval before providing the option to the Customer.

#### ***When must we respond?***

We must inform the Customer in writing of the result of their application within 21 calendar days after receipt of the application, or where We have asked for more information and this has been provided to Us within 21 calendar days (or such longer period as agreed), within 21 calendar days after We have received the additional information. We will maintain a register of relevant communications. If We have requested further information from the Customer and this has not been forthcoming within 21 days (or the agreed timeframe), We must inform the Customer within 7 days after such deadline passing, of the outcome of their application.

Where We have agreed a particular option with the Customer, the details of such option should be included in the communication to the Customer.

Where We have decided that the Customer is not eligible for Financial Hardship Support, We must provide the reasons for this decision when We inform them of the result of their application and about Our Complaints process.

Where We have identified the Customer as being eligible for Financial Hardship support but are unable to agree on the terms of such support, We will inform them in writing of Our Complaints process.

#### ***A Customer that informs Us they intend to declare bankruptcy***

Where a Customer informs Us that they intend to declare bankruptcy, We must work with them to determine the amount owed to Topsail and provide written confirmation of such amount. If an amount cannot be agreed with the Customer, We will notify them of Our Complaints policy.

### **6. Working with Our Capacity Providers and other representatives**

#### ***Capacity Providers***

Topsail will work with its capacity providers and ensure that they have policies in place to deal with Financial Hardship and training programs in place to handle the situation appropriately.

#### ***Collection Agents or Solicitors collecting money on Topsail's behalf***

To the extent there is a need to engage a third-party collection agent or solicitor, We must ensure that:

- As part of the due diligence process, We are comfortable that such agent or solicitor and their employees, contractors and agents understand and comply with:
  - the Financial Hardship requirements in the General Insurance Code of Practice 2020; and
  - the Debt collection guideline: for collectors and creditors published by the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission;
- The agent or solicitor is provided a copy of the Policy;
- The agent or solicitor provides training to their employees, contractors and agents on dealing with persons experiencing Financial Hardship and the obligations under the General Insurance Code of Practice 2020
- Include in the engagement letter with the agent or solicitor, the following obligations:
  - confirmation that in carrying out their obligations, they understand and will comply with the General Insurance Code of Practice 2020;
  - confirmation that all relevant employees, contractors and agents receive training on a regular basis on how to identify Customers that require Financial Hardship support and on the obligations under the General Insurance Code of Practice;
  - that in their first communication with a Customer about any money owed to Topsail, they include a copy of Topsail's Financial Hardship Policy; and
  - to notify Topsail as soon as practicable after becoming aware that a Customer is experiencing Financial Hardship and give such Customer information about Topsail's Financial Hardship Policy (if they haven't already done so).

## **7. Privacy and Confidential Information**

We understand the risk with disclosure of the personal information of Customers who are experiencing Financial Hardship. We must treat such information in accordance with the terms of the Topsail Privacy Policy.

## **8. Application Form**

Any Customers who are experiencing Financial Hardship are to complete the [Financial Hardship Application Form](#) which will be reviewed by the CEO for approval.