



# Financial Hardship Policy

Chubb Insurance Australia Limited  
ABN 23 001 642 020 | AFSL 239687

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Version	2.1	Board Approved	-
Comments	<b>Australia: Relevant Legislation, Codes and Regulations</b> <ul style="list-style-type: none"><li>• <i>Corporations Act 2001</i> (Cth)</li><li>• <i>Corporations Regulations 2001</i> (Cth)</li><li>• Australian Securities &amp; Investments Commission RG 96: <i>Debt Collection Guideline: For collectors and creditors</i></li><li>• Australian Financial Complaints Authority Terms of Reference</li><li>• General Insurance Code of Practice (2020)</li><li>• <i>Privacy Act 1988</i> (Cth)</li></ul>		



## 1. Introduction and Objectives

- 1.1. In relation to dealing with cases of Financial Hardship and urgent financial need of benefits matters, Chubb Insurance Australia Limited and its related companies in Australia (Chubb) must comply with the obligations of the General Insurance Code of Practice (Code), the Australian Financial Complaints Authority (AFCA) Terms of Reference and Chubb's internal policies and procedures.
- 1.2. The Financial Hardship Policy (Policy) is aligned to the Code and AFCA Terms of Reference.
- 1.3. Chubb's Commitment: We value our Customers' trust in us 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 and urgent financial need of benefits.

## 2. Interpretation

- 2.1. Unless otherwise defined in this Policy, capitalised terms have the same meaning as those terms as defined within the Code.
- 2.2. For the purposes of this Policy, Chubb adopts the following definitions:
- a) **Complaint** means an expression of dissatisfaction made to Chubb, its Authorised Representatives, its Service Suppliers or other person acting on its behalf about any aspect of the Individual's relationship with Chubb, including:
    - i. the products of Chubb; or
    - ii. the services of Chubb, its Authorised Representatives, Service Suppliers or other person acting on its behalf; or
    - iii. Chubb's Complaint process,in circumstances where a response or resolution is explicitly or implicitly expected.
  - b) **Complaints Process** means the processes and procedures set out in the Chubb Australian Complaint Handling and Dispute Resolution Policy & Framework and any subordinate systems and procedures established in compliance with that Policy.
  - c) **Dispute** means a Complaint that has not been resolved to the satisfaction of an Individual through Chubb's Complaints Process.
  - d) **Family Violence** means violent, threatening or other behavior by a person that coerces or controls a member of the person's family or causes the family member to be fearful. It is not limited to physical instances of violence, and may also include emotional, psychological, financial, economic and sexual abuse, as well as damage to property, or harm to family pets.
  - e) **Financial Hardship** means where an Individual has difficulty meeting their financial obligations to Chubb, including where an Individual:
    - a. cannot pay a claim excess to Chubb; or
    - b. where Chubb is attempting to recover money from an Individual.
  - f) **Individual** means
    - a. an individual or Third Party Beneficiary who owes Chubb money under a Chubb insurance policy; or
    - b. an individual Chubb is seeking recovery from, for damage or loss caused by them to an Insured or Third Party Beneficiary that Chubb covers under an insurance policy; or
    - c. a Retail Client of Chubb as defined by section 761G of the Corporations Act 2001, or such person who holds a Retail Insurance product with Chubb; or
    - d. a Wholesale Client of Chubb who holds a general insurance product covered under the Code which is not a Retail insurance product.

### 3. Scope

- 3.1. The Policy outlines the procedure of Chubb in handling and responding to:
  - a) requests for Financial Hardship assistance from an Individual(s);
  - b) requests for Financial Hardship assistance from an Individual(s) affected by Family Violence; and
  - c) requests from Individuals who are in urgent financial need of the benefits that they are entitled to under their insurance policy, as a result of the event causing the claim.
- 3.2. Financial Hardship assistance does not apply to the payment of premiums under an insurance policy that Chubb has issued.

### 4. Standards applicable to cases of Financial Hardship and urgent financial need of benefits

- 4.1. In assessing a request for Financial Hardship or an urgent financial need of benefits, reasonable evidence may assist, such as:
  - a) financial records (Centrelink, bank or loan statements; outstanding or overdue bills such as gas, electricity or medical);
  - b) employment records (statements from employers; pay slips; letter from former employer confirming loss of employment);
  - c) documents from a third party (pending disconnection of essential services; repossession notice of essential items such as car or motorcycle);
  - d) evidence of the causing event;
  - e) evidence of serious illness preventing the Individual from earning income; unemployment or disability (including disability due to mental illness);
  - f) letter from a doctor confirming inability to earn income due to a disability, injury, illness or caring for a sick family member;
  - g) letter from a charitable organisation referring to loss of employment or inability to provide for basic necessities;
  - h) funeral expenses; and/or
  - i) notice of impending legal action (an intervention order is not required as evidence of Family Violence in assessing an application for Financial Hardship or urgent financial need of benefits).
- 4.2. Chubb must only request information that is genuinely necessary to assess an application for Financial Hardship or an urgent financial need of benefits. If an Individual affected by Family Violence has made an application for Financial Hardship or an urgent financial need of benefits, the amount of information and documentation required must be minimised.
- 4.3. 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 benefits. Such information is often sensitive and must be managed in accordance with Chubb Privacy Policy.
- 4.4. If an Individual identifies to a Chubb 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.

- 4.5. A request for Financial Hardship or an urgent financial need of benefits 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, Chubb will use the Individual's preferred method of communication.

- 4.6. If after Chubb receives a Hardship Application Form for Financial Hardship or urgent financial need of benefits, Chubb requires further information before making a decision, Chubb

must tell the Individual the information required as early as possible and be specific about the information required.

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

## 5. Financial Hardship assistance for Individuals

- 5.1. Chubb should notify an Individual of whether they are entitled to Financial Hardship assistance quickly and appropriately. This means that Chubb 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 Chubb's assessment of the Individual's application for Financial Hardship assistance.

Form (Appendix A) and if appropriate, the contact details for the National Debt Hotline (1800 007 007).

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

- 5.5. If an Individual informs Chubb or a Chubb 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 in order to review an application for Financial Hardship.

- 5.2. All Financial Hardship cases must be referred to the acting Team Leader of the appropriate department for action.

- 5.6. If an Individual applies for Financial Hardship assistance, Chubb 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 Chubb's decision.

- 5.3. If an Individual informs Chubb that they are experiencing Financial Hardship, Chubb must provide a Hardship Application

- 5.7. If an Individual has a debt involving a situation of Family Violence, Chubb must not refer or sell that debt onto any third-party debt collection agencies. Where this is inadvertently done, Chubb must work with the Collection Agent to provide the best outcome for the Individual. This will vary on a case by case basis, but may include repurchasing an existing debt or taking back a referred debt from a Collection Agent.
- 5.8. Chubb must also consider the risks involved in attempting to recover any debt from the perpetrator of Family Violence. This may put the Collection Agent in danger and may also result in further violence towards the victim.
- 5.9. If an Individual contacts Chubb about their application for Financial Hardship assistance, and the Individual has previously nominated a representative, Chubb must ask the Individual whether they would like Chubb to notify their representative.
- 5.10. Within 21 calendar days of an Individual requesting Financial Hardship assistance, Chubb should assess the request for Financial Hardship assistance and either:
- inform the Individual of the decision in writing; or
  - request any additional information needed.
- 5.11. If Chubb requests additional information, Chubb should allow at least 21 calendar days for the Individual to provide the information.
- 5.12. If Chubb requests additional information and the Individual provides it, Chubb should assess
- the Individual's application for Financial Hardship assistance within 21 calendar days and inform the Individual of their decision in writing.
- 5.13. If Chubb requests additional information and the Individual does not provide it, Chubb should assess the Individual's application for Financial Hardship assistance within 28 days of their request for additional information being made and inform the Individual of their decision in writing.
- 5.14. If Chubb determines that an Individual is entitled to Financial Hardship assistance, Chubb must work with the Individual to consider an arrangement that could include:
- extending the due date for payment;
  - paying in instalments;
  - paying a reduced lump sum amount;
  - postponing one or more instalment payments for an agreed period;
  - a release, discharge or waiver of a debt or obligation;
  - deducting an excess from a claim payment; or
  - another option (including a combination of the above).
- 5.15. If an Individual affected by Family Violence indicates that they are unable to meet their premium payments, Chubb must provide options for the Individual to retain the policy, such as:
- reducing the benefits and/or removing or altering benefit options in order to reduce the premium;
  - changing the benefit structure or how much they are insured for; or
  - stopping the payments
- for a short period without cancelling the policy.
- 5.16. Chubb must confirm any agreed arrangement with the Individual in writing by their preferred communication method where possible.
- 5.17. Chubb must not refuse a reasonable request by an Individual to repay a debt in full in installments.
- 5.18. If Chubb agrees to release, discharge or waive a debt or obligation, Chubb must confirm this in writing, where the Individual is an Insured or Third Party Beneficiary, Chubb must (at the Individuals' request) notify any financial institution with an interest in the Individual's insurance policy.
- 5.19. If Chubb determines that an Individual is entitled to Financial Hardship assistance, where the Individual is an Insured or Third Party Beneficiary, Chubb must (at the Individual's request) notify any financial institution with an interest in the Individual's insurance policy.
- 5.20. If Chubb agrees that an Individual is entitled to Financial Hardship support, but no agreement can be reached as to how the Individual can be supported, or the Individual is unhappy with any aspect of the application process, Chubb must provide the Individual with details of their Complaints Process.
- 5.21. If Chubb determines that an Individual is not entitled to Financial Hardship assistance, Chubb must provide the Individual (including an uninsured third party) with the reasons for their decision

and information about their Complaints Process.

5.22. If Chubb determines that an Individual is not entitled to Financial Hardship assistance in relation to an amount Chubb seeks from the Individual, and the Individual's circumstances change, the Individual can make a further request for Financial Hardship assistance in relation to that amount. When assessing any further request, it is at Chubb's discretion to again put any recovery action against the Individual on hold.

5.23. If an Individual advises Chubb that they intend to declare bankruptcy, Chubb must work with the Individual or their representative to provide written confirmation of the debt owed to Chubb for the purposes of bankruptcy. If no agreement can be on the amount of the debt, Chubb must provide details of their Complaints Process.

5.24. If an Individual lodges a Dispute with AFCA, Chubb must not:

- a) instigate legal proceedings against the Individual relating to any aspect of the subject matter of the Dispute;
- b) pursue legal proceedings relating to debt recovery instituted before the Dispute was lodged with AFCA, other than to the minimum extent necessary to preserve Chubb's legal rights. In particular, Chubb must not seek judgment in the proceedings if the Dispute is lodged before the Individual takes a step in those legal proceedings beyond lodging a defence and or a defence and counterclaim (however described) (this does not apply to legal proceedings relating to a debt recovery against a Small Business where the contract provides for a credit facility of more than \$2,000,000); or
- c) take any action to recover a debt the subject of the Dispute, to protect any assets

securing that debt or to assign any right to recover that debt while AFCA is dealing with the Dispute.

5.25. Notwithstanding section 5.23 of the Policy, with AFCA's agreement and on such terms as AFCA may require, Chubb may:

- a) issue proceedings where the relevant limitation period for such proceedings will shortly expire - but those proceedings may not be pursued beyond the minimum necessary to preserve Chubb's legal rights; or
- b) exercise any rights it might have to freeze, preserve or sell assets the subject of the Dispute.

5.26. If the Dispute is subsequently decided by AFCA and becomes binding upon Chubb, Chubb must abandon any aspect of proceedings against the Individual that are inconsistent with that decision.

## 6. Urgent financial need of benefits for Individuals

6.1. If an Individual reasonably demonstrates they are in urgent financial need of the benefits they are entitled to under their insurance policy as a result of the event causing the claim, within five (5) business days Chubb must:

- a) fast-track the assessment and decision process of the Individual's claim; and/or
- b) make an advance payment to help the Individual alleviate their immediate hardship; and
- c) provide details of their Complaints Process if the

Individual is not happy with Chubb's decision.

6.2. Chubb 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, Chubb may make an advance payment to alleviate an Individual's situation.



## 7. Standards for collecting money

- 7.1. Chubb 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.
  - d) information about Chubb's Financial Hardship process;
  - e) fast-track the assessment and decision process of an Individual's claim; and/or
  - f) contact details to enable an Individual to contact Chubb to discuss Financial Hardship support or to ask any questions.
- 7.2. When Chubb and its service providers first communicate with an Individual regarding the amount of money owed, then Chubb will ensure that this communication must provide information showing that the amount Chubb is seeking to recover 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;
  - c) the evidence Chubb relied on when Chubb calculated the amount;
- 7.3. If Chubb authorises a service provider to send an Individual any communication about money that is owed to Chubb, that communication must identify Chubb as the insurer on whose behalf the service provider is acting and specify the nature of the claim against the Individual.
- 7.4. If an Individual advises a service provider of Chubb that they are experiencing Financial Hardship, then the service provider must notify Chubb and provide information in writing about Chubb's Financial Hardship process.



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

- 8.1. Chubb's commitment to dealing with cases of Financial Hardship and urgent financial need of benefits 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 Chubb can support the Individual.
  - b) are trained to recognise when someone is in Financial Hardship; and
  - c) are capable of making reasonable enquiries about an Individual's Financial Hardship.
- 8.2. Chubb is responsible for including information about the Financial Hardship process in debt recovery letters.
- 8.3. Chubb is responsible for ensuring that its employees and service providers involved in the recovery of money owed to an Individual:
  - a) understand, and know they must comply with, the Code's Financial Hardship standards;
- 8.4. In addition, the Policy is monitored on an ongoing basis, consistent with Chubb's philosophy of continuous improvement.
- 8.5. Employees are provided with systems and appropriate authority to handle cases of Financial Hardship and urgent financial need of benefits 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.

## 9. Review of this Policy

- 9.1. This Policy will be reviewed on a regular basis and in any event at least annually or in the event of any change in legal or regulatory or other equivalent requirements.

# Appendix A: Hardship Application Form

“Financial Hardship” means you are having difficulty meeting your financial obligations.

If you owe money to Chubb Insurance Australia Limited (Chubb) or the assessment of your claim has been delayed due to the gathering of information to make a decision and you experience Financial Hardship, you can apply to Chubb to see if you qualify for assistance.

The following information will be used by Chubb in assessing your request for Financial Hardship assistance. Depending on the circumstances of your request, we may ask you to provide further information.

**Please Note:** Financial Hardship assistance **cannot** be provided for unpaid general insurance premiums. More information about the Financial Hardship provisions in the Code of Practice can be found at:

<http://codeofpractice.com.au/for-consumers/financial-hardship>.

Free, confidential, independent financial advice is also available to you through the national financial counselling hotline 1800 007 007.

## Privacy Statement

The information provided on this form is collected by Chubb Insurance Australia Limited (Chubb) for the purposes of assessing your request and the provision of insurance services. We may provide information to government, regulatory or other bodies if required by law. Our privacy policy provides more information about how we manage and protect personal information. It sets out how you can access and correct the information that Chubb holds about you, how you can complain about a breach of privacy and our process for resolving privacy related enquiries and complaints. For further information, visit our [website](#).

Personal Details					
Policy Number					
Claim Number					
Name					
Address				Telephone	
Marital Status		No. and age of dependants		Occupation	
Employment status (full-time, part-time, self-employed, unemployed)					
Employer Name					
If you would like to nominate a representative to handle your application on your behalf, please include their details as well.					
Name					
Relationship		Telephone (business hours)		E-mail address:	
Financial Details					
<b>Income you receive per week (if any of the income you receive is paid monthly, please calculate what this is per week)</b>					
Wages after tax					
Centrelink benefits (Family Allowance, Jobstart or other)					
Child maintenance/support					
Rent received					
Other					
<b>Total income per week (\$A)</b>					
	<b>(\$A)</b>				

**Expenses you pay per week** (if you make any monthly payments, please calculate what these payments are per week)

Rent and/or mortgage payments	
Other loan payments	
Credit card payments	
Child support payments	
Motor vehicle expenses (petrol, insurance, lease payments)	
Living costs (food, public transport, telephone etc) with all staff?	
Hospital/medical expenses	
Other	
<b>Total expenses per week (B)</b>	<b>(B)</b>
<b>Total income - Total expenses per week (A - B)</b>	

**Financial Hardship**

Please provide us with a brief explanation of your financial circumstances, your situation, and why you are requesting assistance for Financial Hardship:

The following documents will assist us in considering your request, and should be attached where they are applicable to your situation. Failure to provide supporting information may result in a delay in the assessment of your request.

**Please Note:** If any of the documents you provide contain your Tax File Number (TFN), please blank this out.

- 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
- 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

**Assistance**

What assistance would you like your insurer to consider?

Extension of due date for payment	When will you be able to make payment?
Paying in instalments	What can you afford
	and when?
Paying a reduced lump sum	What can you afford?
Postponing one or more instalments	When will you be able to make payment?
An advance payment under your claim while information is being gathered	Are you able to assist in having this information provide to us quickly? <input type="checkbox"/> Yes <input type="checkbox"/> No
Other (including a combination of the above options)	Please provide details of what you are seeking

## Complaints

If you are unable to reach an agreement with Chubb about Financial Hardship assistance, or if you are unhappy with any aspect of the application process, you may make a complaint. If you wish to make a complaint please contact us at: [Complaints.AU@chubb.com](mailto:Complaints.AU@chubb.com).

## Chubb Hardship Form

The Complaints Officer  
Chubb Insurance Australia Limited  
GPO Box 4065  
Sydney NSW 2001  
Tel: 1800 815 675

Please refer to [www.chubb.com/au](http://www.chubb.com/au) for information on Chubb's complaints handling process, detailed in our Compliments, Complaints and Dispute Resolution - A Guide to Our Procedures Brochure.

## Declaration

I certify that the information provided above is true and correct and that I have not withheld any information likely to affect the acceptance of request. I understand that my request may be refused if the information supplied is untrue, or I have not revealed all relevant facts.

Signature of applicant	
Name of applicant	
Date	

## About Chubb in Australia

Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries and territories, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London, Paris and other locations, and employs approximately 33,000 people worldwide.

Chubb, via acquisitions by its predecessor companies, has been present in Australia for 100 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages, including Business Package, Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities, as well as Accident & Health insurance, to a broad client base, including many of the country's largest companies. Chubb also serves successful individuals with substantial assets to protect and individuals purchasing travel and personal accident insurance. With five branches and more than 800 staff in Australia, it has a wealth of local expertise backed by its global reach and breadth of resources.

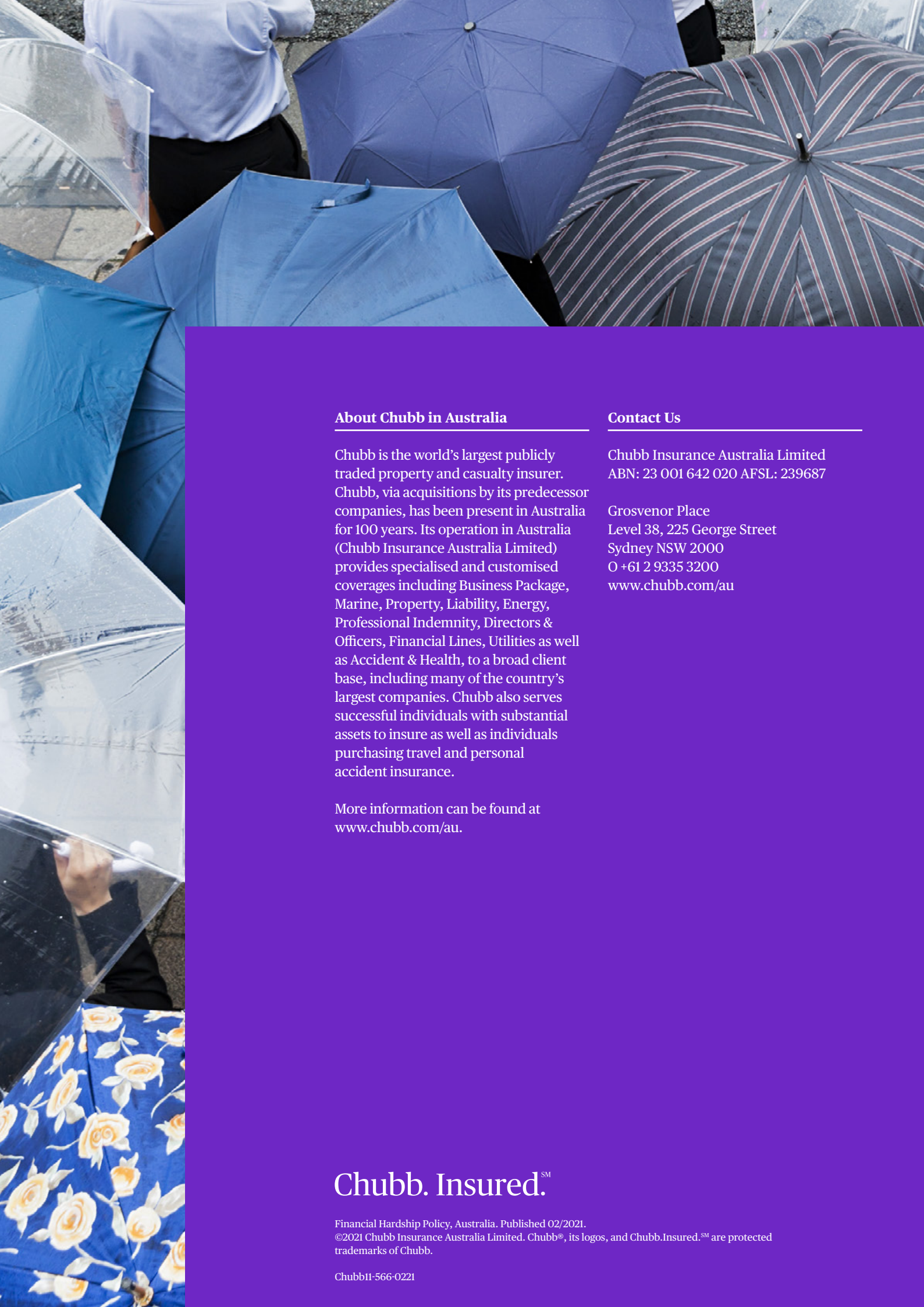
More information can be found at [www.chubb.com/au](http://www.chubb.com/au)

## Contact Us

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Chubb. Insured.<sup>SM</sup>



### About Chubb in Australia

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Chubb is the world's largest publicly traded property and casualty insurer. Chubb, via acquisitions by its predecessor companies, has been present in Australia for 100 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages including Business Package, Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities as well as Accident & Health, to a broad client base, including many of the country's largest companies. Chubb also serves successful individuals with substantial assets to insure as well as individuals purchasing travel and personal accident insurance.

More information can be found at [www.chubb.com/au](http://www.chubb.com/au).

### Contact Us

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