

Mustard Underwriting Pty Ltd
Financial Hardship Policy
March 2023

FINANCIAL HARDSHIP POLICY

Introduction

We are committed to providing support to Customers experiencing Financial Hardship. This Financial Hardship Policy Statement ("Policy") sets out how we will support Customers who are affected by Financial Hardship and has been endorsed by our Board.

The Policy is maintained and reviewed regularly by Senior Management. Senior management References to "you" means you as a director, employee or other person who works for us. For the purposes of this Policy, "Customer" means an individual insured, a third-party beneficiary or an individual from whom we are seeking to collect or 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.

Scope

This Policy applies to all products and services that we offer.

Responsibility

Our senior management are responsible for implementing this Policy and will also communicate the content of the Policy to staff and will ensure there is appropriate training and monitoring of compliance.

Senior management reports to the Board at least annually and at any such time as a matter of material concern arises (including in respect of any material breach of this Policy).

Our senior management understand the relevant legislation and regulations and have the full support of the Board in carrying out their responsibilities.

Senior management's responsibilities include:

- Establishing, maintaining and monitoring our financial hardship procedures.
- Establishing and maintaining training for our staff.
- Reporting to the Board.

If you have any queries or concerns regarding any financial or domestic abuse issue you should contact us immediately and request the matter be referred to one of our senior management team.

Definition Of Financial Hardship

For the purposes of this Policy, "Financial Hardship" means difficulty meeting financial obligations, including obligations you owe to us.

Financial hardship has the following characteristics:

- Significant, representing a significant impact on the Customer's ability to meet their financial obligations. This can be either caused by either the Customer's ability to generate income being impacted or additional unavoidable expenses.
- Urgent, requiring immediate action to assist the Customer to alleviate their financial situation.
- Unforeseen, – arising from an unforeseen change to the Customer's situation, and is outside the control of the Customer.
- Temporary – reflecting a temporary situation that is not permanent and the 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?

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.
- an individual that we are seeking to recover money from because we believe such individual caused damage or loss to either an individual insured, or a third-party beneficiary where we arrange or issued an insurance policy;
- 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.

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.

Our Approach To Financial Hardship

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

- provide them with an Application Form for Financial Hardship support as soon as reasonably practicable. Application forms will be dealt with by senior management and assessed in accordance with the terms of this Policy;
- if appropriate, provide them 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; Pay slips; Letter from former employer confirming loss of employment;
- 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 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.

What Support Is Available To A Customer?

When determining what support will be provided to a Customer, we 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 time frame. No reasonable request will be refused.
- Paying a reduced lump sum. In discussions regarding a reduction in the lump sum, we must (amongst other things) clearly explain:
 - the change in premium and the effect on the lump sum;
 - that if the Customer wishes to increase their lump sum at a later date, they must go through underwriting, where appropriate, amended documentation may be issued.
- 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, we may consider a combination of the above options. Additionally, we 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

Firstly, an application request is initially sent to a member of the senior management for consideration. Secondly, if required, senior management will then send the application to the Board of Directors or any relevant insurer involved 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.

Senior management 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 with 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.

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

Working With Insurers And Other Representatives

We will work with our insurer to ensure that they have policies in place to deal with Financial Hardship and training programs in place to handle the situation appropriately.

For any Collection Agents or Solicitors collecting money on our behalf, 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 relevant Codes such as the General Insurance Code of Practice 2020 or the Insurance Brokers Code of Practice; 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 this 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 relevant Code;
- 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 relevant Code.
- 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 relevant Code
- That in their first communication with a Customer about any money owed to us, they include a copy of this Policy; and
- To notify us as soon as practicable after becoming aware that a Customer is experiencing Financial Hardship and again give the Customer information about and a copy of this Policy.

Financial Hardship Application Form

Any Customers who are experiencing Financial Hardship are to complete the Financial Hardship Application Form which is available by contacting any of our offices by phone, email or in writing and requesting the form.

Training

We believe that it is of critical importance that all our relevant members of staff receive an appropriate level of training on how to assist Customers in dealing with financial hardship.

This includes educating our people on how to recognise and address financial hardship and providing them with the tools and resources necessary to assist you wherever possible.

Privacy

We understand that privacy and confidentiality can be critical to safety in financial hardship situation and will take care to protect your personal information in line with our Privacy Policy.