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# **Financial Hardship Policy**

**/ Date Approved 18 August 2023**

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# **Financial Hardship Policy**

Date approved: 18th August 2023

Approved by: EXCO

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## 1 Introduction

- 1.1 Youi is committed to supporting customers and third parties who are experiencing Financial Hardship.
- 1.2 We will provide Financial Hardship support to an Insured individual or a Third Party Beneficiary who owes us money, including an excess, under an insurance policy we have issued; or to an individual where we are seeking to recover monies from them because we believe the individual caused damage or loss to either an Insured, or a Third Party Beneficiary who we cover under an insurance policy.
- 1.3 The support that we provide does not include support with paying the premiums under an insurance policy we have issued.
- 1.4 The Code requires Youi to have internal policies and training in place to understand and support those experiencing Financial Hardship.
- 1.5 This is Youi's Financial Hardship Policy. This policy outlines the principles and minimum standards that must be followed when Financial Hardship has been disclosed to us or identified by us, we take reasonable steps to provide additional support to these customers or other individuals.

## 2 Scope and Audience

- 2.1 This policy covers Youi Holdings Pty Ltd (ABN 41 124 972 425) ("Company"), an Authorised Non-Operating Holding Company on and from 1 March 2008 under section 18 of the Insurance Act 1973 and the Level 2 Head of the Youi Group comprising itself and its subsidiaries being:
  - Youi Pty Ltd (ABN 79 123 074 733) ("Youi"), authorised to carry on insurance business in Australia on and from 1 March 2008 under Section 12 of the Insurance Act 1973;
  - Youi Properties Pty Ltd (ABN 604 123 873), a non-regulated subsidiary of Youi;
  - Youi NZ Pty Limited (CN 4476298) ("Youi NZ"), a non-regulated subsidiary, which provides call centre services to Youi; and
  - Youi Holdings Share Option Plan Managers Pty Ltd (ACN 131 122 908), a non-regulated subsidiary, which acts as trustee under a Trust Deed dated 30 May 2008 for purposes related to an employee share option plan established by the Company.

("Companies" or "Youi Group" in this policy means each of the Company and each subsidiary).

- 2.2 The local policy incorporates the group requirements of OUTsurance International Holdings Pty Ltd (Org No. 152 271 602, South Africa) ("OUTsurance") which holds the majority of the shares in the Company. RMI Holdings Limited (Org No, 150 198 084,

South Africa) is the ultimate holding company of the Company.

- 2.3 This policy applies to the Youi Group, and includes all Youi employees and contractors in all of Youi's locations and to the extent it may be applied, to service providers.
- 2.4 It is important that all Youi employees ensure they understand what Financial Hardship is and the requirements of this policy.
- 2.5 Youi's values underpin compliance behaviours and community expectations. Failing to comply may result in disciplinary action, including loss of performance payments and termination of employment.

## 3 Definitions

- 3.1 Terms not defined in this document may be found within Youi training documents.
- 3.2 Terms and definitions
  - **"ACCC and ASIC Debt Collection Guide"** means the the *Debt collection guideline: for collectors and creditors* published by the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission.
  - **"Code"** means the General Insurance Code of Practice 2020, as amended or replaced from time to time.
  - **"Collection Agent"** means a person, company or entity who is not a Youi Employee that we contract to recover money owing to us.
  - **"Financial Hardship"** means when a customer or individual has difficulty meeting their financial obligations to Youi.
  - **"Insured"** means a person, company or entity holding, or seeking to hold, a general insurance product covered by the Code. It excludes a Third Party Beneficiary.
  - **"Third Party Beneficiary"** means a person, company or entity who is not an Insured but who is seeking to be, is specified to be, or is referred to as, a person to whom the benefit of the insurance cover extends. The relevant product must be covered by this Code. The person, company or entity may be specified by, or referred to by, name or otherwise.

## 4 Policy Principles and Standards

The policy principles and standards are designed to act as a minimum standard for meeting Youi's obligations to support customers who experience Financial Hardship.

### 4.1 PRINCIPLE 1: Identification of Financial Hardship

- 4.1.1 Financial hardship is considered when a customer or third party is unable to, because of various reasons, meet or maintain their financial obligations. Reasons could include but not limited to:

- Unemployment or unexpected changes in income or expenditure
- Sudden or serious illness
- Physical health conditions
- Divorce or loss of a loved one
- Family and Domestic violence
- Disasters such as flood, fire etc

**4.1.2** A customer or third party (or their representative) can indicate to Youi at any time that they are in Financial Hardship. They are able to do this by emailing [priorityassist@youi.com](mailto:priorityassist@youi.com) or calling 1300 253 941 and speaking to you Youi representative.

**4.1.3** Financial Hardship can be short term or long term. Our specialist teams are trained to identify if someone is experiencing financial hardship and the support Youi may be able to provide.

**4.1.4** If a customer or third party (or their representative) tells Youi, or Youi identifies, that they are experiencing Financial Hardship, Youi must provide an application form for Financial Hardship support and, if appropriate, contact details for the National Debt Helpline (1800 007 007).

## **4.2 PRINCIPLE 2: Disclosures of Financial Hardship**

**4.2.1** We will handle all disclosures of Financial Hardship with sensitivity, empathy and respect.

**4.2.2** We understand that everyone's circumstances are unique. We will work with the individual to assess their situation and discuss the options available to them.

**4.2.3** Customers or third parties (or their representatives) may make a disclosure of Financial Hardship to any Youi employee, Collection Agent or Service Supplier involved in the recovery of money on Youi's behalf. Procedures must be in place for our employees, Collection Agencies and Service Suppliers and any to know how to respond to these disclosures.

**4.2.4** If a customer or third party (or their representative) identifies and discloses that they are in Financial Hardship and request additional information or services, employees are to refer them to external support agencies. These support agencies are outlined in relevant internal department processes.

## **4.3 PRINCIPLE 3: We are committed to taking care of customers and third parties who are experiencing Financial Hardship**

**4.3.1** All customers or third parties who are experiencing Financial Hardship must be treated fairly and respectfully by employees.

**4.3.2** Customers or third parties (or their representatives) who have disclosed they are experiencing Financial Hardship will be referred to the Priority Assistance Team for further

support.

**4.3.3** The support available will depend on the customer or third party's personal circumstances and financial situation however, we will not refuse a reasonable request to pay the amount owed in instalments. Please refer to the processes which can be found in the relevant department YouiVersity.

**4.3.4** Where possible, Youi will ensure we use the customer or third party's preferred method of communication when communicating about their Financial Hardship application or decision.

**4.3.5** Additional steps to we may take to support customers or third parties who are facing Financial Hardship include:

- If the customer has told us about an urgent financial need Youi will assess the customers position to review for the need to fast track the claim. This may include a fast-track of the assessment of the claim, decision making process regarding the claim or an advance payment amount to ease the urgent financial need.
- Where a customer or third party has nominated a representative, Youi will keep the nominated representative updated about the customer or third party's application for Financial Hardship support unless the customer or third party has told Youi not to.
- Where suitable, refer customers or third parties to a financial counsellor or an appropriate community support service to make it easier for them to communicate with us.

#### **4.4 PRINCIPLE 4: Standards and Procedures for Collecting Money**

**4.4.1** Youi, and any Collection Agent or solicitor collecting money, must comply with the ACCC and ASIC Debt Collection Guide.

**4.4.2** All processes related to Financial Hardship, our timeframes, options we can provide our customers, bankruptcy and debt releases can be found in the relevant internal department process.

**4.4.3** Any recovery action will be put on hold if we identify Financial Hardship or if the customer or third party asks Youi for Financial Hardship support. Recovery action will remain on hold until Youi has assessed and notified the customer or third party of the decision. Any collection agencies or solicitors that we have appointed in respect of the recovery action will be notified of this process.

**4.4.4** Any Collection agent or solicitor acting on Youi's behalf must communicate that they are acting on behalf of Youi and specify the nature of Youi's claim against the customer or third party. If the customer or third party tells our Collection Agent or solicitor that they are experiencing Financial Hardship, then our Collection Agent or solicitor must notify us and give the customer or third party information in writing about our Financial Hardship process

**4.4.5** Youi must ensure that the first communication with a customer or third party about money owed provides information to show the amount we are seeking is fair and reasonable and contains information about our Financial Hardship Process including the number to contact. Please refer to relevant internal department processes.

- 4.4.6** If Youi decides that a customer or third party is not entitled to Financial Hardship support, Youi must tell the customer or third party the reason for the decision and about Youi's complaints process, where possible, using the customer or third party's preferred method of communication. A customer or third party may re-apply for Financial Hardship support if their circumstances change.
- 4.4.7** Where a customer or third party tells us that they intend to declare bankruptcy, then Youi will work with the customer or third party (or their representative) to agree on the amount owed. We will also give the customer or third party written confirmation of that amount for the purposes of their declaration of bankruptcy.
- 4.4.8** If Youi decides that the customer or third party is entitled to Financial Hardship support, then we will work with the customer or third party to implement an arrangement that could include any one or more of the following:
- delaying the date on which the payment must be made;
  - paying us in instalments — we will not refuse a reasonable request from the customer or third party to pay the amount they owe in instalments;
  - paying a reduced lump sum amount;
  - delaying one or more instalment payments for an agreed period;
  - deducting the excess from the claim amount we pay them, in the event of a cash settlement.
- 4.4.9** We will confirm the agreed arrangement with the customer or third party, where possible, using the customer or third party's preferred method of communication.
- 4.4.10** If Youi and the customer or third party agree that the customer or third party is entitled to Financial Hardship support but are unable to agree about how they can be supported, then we will tell the customer or third party in writing about our Complaints process.
- 4.4.11** If Youi decides the customer or third party is entitled to Financial Hardship support, then they may ask us to release, discharge, or waive the debt or obligation. However, they are not automatically entitled to this. If Youi agrees to release, discharge or waive a debt or obligation, then we will confirm this with the customer or third party in writing.
- 4.4.12** If the customer asks us to notify any financial institution with an interest in their insurance policy that they are entitled to Financial Hardship support and, if applicable, that we have released, discharged or waived a debt or obligation, then we will tell the financial institution with an interest in their insurance policy about this in writing.

## **4.5 PRINCIPLE 5: Training and awareness**

- 4.5.1** This policy is available internally to all our employees.
- 4.5.2** We will ensure that all employees are made aware of this policy, related policies, and where to find them in their induction process.
- 4.5.3** As a minimum all employees are required to complete mandatory awareness training about

understanding Financial Hardship and knowing the appropriate support measures including referrals that Youi has in place.

**4.5.4** Any Collection Agent or solicitor acting for Youi must understand the Financial Hardship requirements in the Code; and receive training to help identify whether a customer might need Financial Hardship support.

**4.5.5** Youi's service providers, any Collection Agent or solicitor acting for Youi must be made aware of who they are to inform within Youi if a disclosure from a customer about Financial Hardship is received.

## 5 Policy Governance Review

### 5.1 Policy Owner

**5.1.1** The Policy Owner is responsible for ensuring the policy is maintained, including that it addresses relevant legal, regulatory, industry codes, and other key documents.

**5.1.2** The Policy Owner manages the process for updating the policy in accordance with the review timing outlined in this policy, including providing a clear summary of the changes to the policy for the relevant Committee to approve.

### 5.2 Policy Implementation

**5.2.1** Senior Executives must establish, review and maintain appropriate operating processes and procedures to ensure this policy is implemented effectively across their business areas.

### 5.3 Policy exemptions

**5.3.1** Policy exemptions may be granted where

**5.3.1.1** *there is a legitimate reason for not meeting a principle or requirement of a policy; and,*

**5.3.1.2** *the provision of such an exemption will not breach any legislative obligations.*

**5.3.2** The Head of Compliance must review exemption requests, as a minimum.

### 5.4 Policy monitoring and assurance

**5.4.1** Compliance will monitor and review compliance with this policy as a part of its overall compliance monitoring program.

### 5.5 Reporting

**5.5.1** As a minimum, any identified issues or compliance incidents must be managed as per the requirements in the Compliance Management Framework.

**5.5.2** Internal management reporting and escalations must, as a minimum, follow requirements as outlined in the Compliance Management Framework and Risk Management Framework



to provide an appropriate level of senior management oversight.

## 5.6 Policy awareness and Risk Culture

- 5.6.1 As a minimum, the policy must be available to employees on the internal policy register on YourWorld.
- 5.6.2 Appropriate training or awareness programs must be in place to ensure that people who are in scope of this policy have the relevant skills and knowledge to understand and fulfil their obligations.
- 5.6.3 Ethical compliance behaviours and performance of people in scope of this policy are to be regularly reviewed. Appropriate education and communication around this policy will be used to support and enhance a strong risk culture and embed by Youi's values.

## 5.7 Policy breaches

- 5.7.1 The Head of Compliance and General Counsel need to do an assessment to determine if the breach is a reportable breach.

# 6 Related Legislation and Documents

- 6.1 This policy aims to meet obligations from laws, regulations, guidelines and industry codes relevant to Financial Hardship including, but not limited to:

Jurisdiction	Mandate
Australia	<ul style="list-style-type: none"> <li>• General Insurance Code of Practice 2020</li> </ul>

# 7 Approval and Review

- 7.1 The Executive Committee has approved this policy.
- 7.2 The Policy is required to be reviewed every two years or if there is a trigger event.
- 7.3 The Policy owner can approve non-material changes to this policy, such as formatting and simple grammatical errors. These changes will be informed to the relevant Committee, through the Governance, Risk and Compliance standard business reporting during the period between reviews.

## 8 Document Control

### 8.1 Identification and approval

<b>Document Name</b>	Financial Hardship Policy
<b>Document Owner</b>	Head of Recoveries, Settlements, and Investigations
<b>Document Approval</b>	EXCO
<b>Classification</b>	D
<b>Review Cycle</b>	Bi Annual
<b>Audience</b>	Staff / Customer

### 8.2 Revision History

Version	Date Created	Drafted By	Reviewed By	Comments
2.0	28/08/2023	Zoey Canhao	EXCO	

### 8.3 Approval history

Approved by	Version tabled	Version approved	Date approved
EXCO	1.0	1.0	18/12/20
EXCO	2.0	2.0	28/08/22