

Thematic Inquiry

Information about Financial
Hardship support on Insurers'
websites

June 2023



GENERAL INSURANCE
Code Governance Committee

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1 About this report

This report outlines the findings of a thematic inquiry conducted by the General Insurance Code Governance Committee (the Committee). The Committee's thematic inquiries focus on existing and emerging risks of consumer harm at a whole of industry level. In the Committee's recent consultation on its Monitoring Priorities, the topic of 'financial hardship assistance' was raised by multiple stakeholders.

The Committee is planning to review the end-to-end process of subscribers in providing Financial Hardship support in two parts. Part 1 of the review examines how insurers are complying with the spirit and intent of paragraph 105 of the [2020 General Insurance Code of Practice](#) (Code). The findings from the Part 1 review are documented in this report.

The Committee has made nine Recommendations as a result of its findings. Code subscribers are encouraged to adopt the recommendations made in this report to improve the publication of information about Financial Hardship support.

Paragraph 105 - obligation to have website information about financial hardship support

Paragraph 105 of the Code states:

We will have information about applying for Financial Hardship support on our website. The information will set out the types of support options that may be available, and how you can access Financial Hardship support.

The Code defines Financial Hardship as meaning a consumer has difficulty meeting their financial obligations to the subscriber. Part 10 of the Code sets out the Financial Hardship obligations of a subscriber.

Paragraph 105 requires subscribers to publish information about financial hardship support on their website. It recognises that consumers are entitled to expect financial hardship support from their insurer.

Paragraph 105 is silent on the nature of the information. The Committee is mindful that Part 10 of the Code was intended to commit the industry to stronger standards in relation to financial hardship than was the case in the former 2014 Code. These changes recognised that consumers experiencing financial hardship are often vulnerable individuals, and that subscriber processes for dealing with financial hardship assistance requests should be responsive, flexible and fair.¹

Adhering to the Code is not just a matter of ticking boxes and meeting minimum standards.² In relation to paragraph 105, the Committee takes the view that subscribers should comply with the spirit and intention of Part 10 by prioritising the needs of consumers seeking

¹ [Insurance Council of Australia, Interim Report, Review of the General Insurance Code of Practice, November 2017, page 11.](#)

² [Code Governance Committee, Living the Code: Embedding Code obligations in compliance frameworks, June 2020, page 6.](#)

financial hardship assistance. Subscribers should go beyond technical compliance by ensuring that consumers seeking financial hardship assistance:

- Find information about hardship support easily (i.e. the information is accessible)
- Find the information provided to be useful and helpful (i.e. utility of information)
- Find a range of support or relief measures on offer for different needs or circumstances (i.e. choice and fitness for purpose)
- Can effectively reach and communicate with the subscriber to discuss their financial hardship circumstances (i.e. the subscriber's financial hardship team is accessible).

Part 1 of the thematic inquiry therefore looks at all of the above elements in assessing if a subscriber has complied with the spirit of paragraph 105.³

Methodology

For this inquiry, the Committee sought to review one website for each of the 49 Code subscribers. Where subscribers have multiple brands, the Committee reviewed the website of one brand.

These websites were accessed between 22 May 2023 and 9 June 2023.

The Committee was not able to locate a website for one subscriber. There were also eight subscribers where the Committee was not able to find any information about Financial Hardship support on the subscriber's website. The Committee is taking further action in relation to these subscribers and these matters are covered further in Appendix B.

The findings in this report are based on the 40 websites that published information about Financial Hardship support.

³ Subscribers will note that the Committee has previously examined the timeliness of subscriber compliance with paragraph 105 of the Code as part of its review of the [public facing obligations](#) of the 2020 Code.

2 Chair's message

This inquiry into the information that Code subscribers are providing to consumers about financial hardship support on their websites is timely. In a recent survey, it was identified that over 4 in 10 Australians experienced some form of financial hardship during the first quarter of 2023, the highest level in 6 years. 1 in 4 believe they are really struggling to make ends meet.⁴

The inquiry has provided the Committee with valuable insights into what information subscribers are publishing on their websites in relation to financial hardship support. The Committee has identified many good practices that it encourages other subscribers to adopt and has made nine recommendations as part of this report.

We encourage subscribers to consider how their financial hardship support options cater for a range of responses, assist all customers in financial hardship to meet their financial obligations and maintain a level of insurance that protects them from their greatest risks. These responses may range from a brief and temporary relief to a longer-term effort to support the customer.

Financial hardship can take a huge toll on people's mental and physical health, and ultimately their quality of life. Many factors can contribute to financial hardship and financial hardship is often linked with other vulnerabilities. It is important that subscribers recognise this. The Committee was encouraged to see that many subscribers provide information about Financial Hardship support alongside other information on vulnerability.

There is some work to do in terms of how the information is published on subscribers' websites. The information should be accessible to all, easy to find and not buried amongst other information. It should be clear, easy to understand and conveyed in a compassionate tone. It should provide information on the support options available and multiple methods for how a consumer can contact the subscriber for assistance.

We want firms to consider the contents of this report and take immediate action where necessary to ensure that they are well placed to support consumers experiencing financial hardship or the threat of it. At a time when people are facing difficulty paying for food and other essentials, insurance is an expense that many would likely forgo when cutting back their expenses. Supporting customers in financial hardship effectively is therefore good for business, and more importantly, it is the right thing to do.

I would like to express my gratitude to the Financial Rights Legal Centre and Financial Counselling Victoria for supporting us in this review by sharing with us their insights into the good practices they have experienced.

Veronique Ingram PSM
Independent Chair
General Insurance Code Governance Committee

⁴ <https://business.nab.com.au/wp-content/uploads/2023/04/Financial-Hardship-Q1-2023.pdf>

3 Recommendations

The Committee makes the following recommendations about the information Subscribers publish on their website about Financial Hardship support.

1. Ensure information about Financial Hardship support is visible and easy to find. Information should be prominently located and links should be logically named. Vital information about how to get Financial Hardship support should not be lost amongst the other information that a subscriber might have on its website.
2. Consider the amount of information provided on the website. Some details might be best conveyed once the consumer has decided to make an application. It is important to strike a balance between providing too much information that can be daunting and off-putting or too little information that is then unhelpful.
3. Use simple terminology and headings to ensure that the information is set out clearly and conveyed in a helpful tone.
4. Consider placing the information about Financial Hardship support alongside other information about consumer vulnerability.
5. When providing information on the type of support options available, make it clear that these are examples and other options will be considered/explored with the consumer and tailored to their circumstances.
6. Whilst not a requirement of the Code, the Committee encourages subscribers to reduce the risk of a policyholder being without insurance by offering support with the payment of premiums.
7. Make it as easy as possible for consumers to contact subscribers for Financial Hardship support. This includes providing contact details on the same page as the information and multiple contact methods.
8. Subscribers are encouraged to provide:
 - a. Details and weblinks of other support services to assist a consumer with contacting those.
 - b. Financial Hardship information in different languages.

4 Detailed Findings

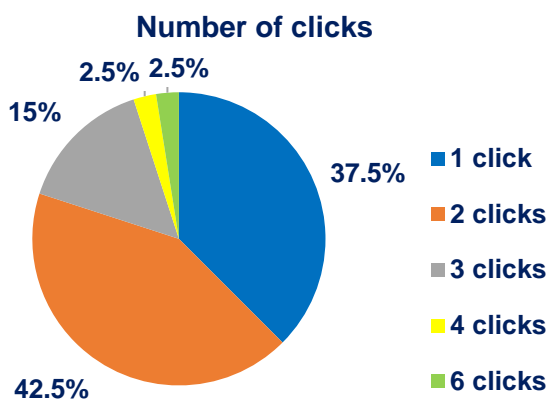
4.1 Ease of access

Subscribers should ensure that information about Financial Hardship is available and accessible to anyone – not just existing customers, or those who are already experiencing financial difficulty. This should also be available and accessible to consumers who may be considering purchasing a policy or who consider they might be at risk of financial difficulty. Having this information on the subscriber’s website, and ensuring it is easily found, will maximise the reach of that information.

Customers are not always willing or able to identify themselves as experiencing financial hardship. Ease of access to information about Financial Hardship support is critical to encouraging affected consumers to start a conversation with their insurer.

Clicks and placement

On average, we found that it took two clicks from the home page to access information about Financial Hardship support on a subscriber’s website. On 27 of the websites, the information was not easy to find.



It was **not easy** to find information about Financial Hardship support on **27 of the 40** of the websites

We found information was not easy to find in the following instances:

- **Placement at footer** - 13 of the 27 websites placed a link to the Financial Hardship support information at the footer of the website where the fine print is typically located. This was provided amongst various other links. The Committee considers that a consumer would not typically look for such information in the footer of a website. Having to scroll to the bottom of the page is not considered accessible or easy to find.
- **Link not logically named** - 18 of the 27 websites did not have the link to the information on Financial Hardship support appropriately named. For example, the information was found by clicking on the ‘About Us’ page, ‘Forms and Publications’ or ‘Key Policies’. The Committee expects most consumers would not be able to easily locate such information. The reference to “Key Policies” is also potentially confusing for consumers in the context of an insurance policy. Four of the websites that had the link in the footer of the page, were also not appropriately named.

Search functionality

The Committee understands that an insurer's website serves a range of functions, including to advertise and promote the insurer's products and services. Given the volume of information that Code subscribers include on their websites, it can be difficult to locate key information. Search functionality on a website can therefore be important. Having search functionality does not remove the need to locate and name the information appropriately, but it can help with accessibility and consumer experience.

The review considered whether subscribers had search functionality on their websites. Where such functionality was provided, a keyword search was conducted to determine if the information on Financial Hardship support could be located.

29 of the 40 websites had search functionality

The information was found using the search functionality on **21 of the 29 websites**

When conducting this review, the following search terms were used:

- Financial Hardship
- Financial Support
- Financial Assistance
- Financial Help

On eight websites, the information on Financial Hardship support was not presented within the first five search results. Consumers should not have to scroll down a long list of search results to locate the information. We therefore only considered where the information was presented within the first five results.



Good practice

One website provided a link to the information in the middle of the home page. This was provided alongside other important information on vulnerability and interpreter services.



Poor practice

One website took six clicks and over 20 minutes to find the information. The path was complex and not where a consumer would look.

Recommendation 1:

Information about Financial Hardship support should be visible and easy to find. Information should be prominently located and links should be logically named. Vital information about how to get Financial Hardship support should not be lost amongst the other information that a subscriber might have on its website.

4.2 Quality and volume of information

For most consumers, finding the information available on a subscriber's website about Financial Hardship is likely to be the first step a consumer takes to exploring how their insurer might be able to assist them.

The quality of the information about Financial Hardship support is therefore an important opportunity for a subscriber to demonstrate its genuine commitment to assisting those seeking support. Ideally, information should be clear and pitched at a level that encourages a consumer who may be experiencing financial hardship to start a conversation with their insurer. There should be enough helpful information provided. Lack of attention to this can create the impression that a subscriber sees the requirement as a pure compliance exercise.

As part of the inquiry, we reviewed the information provided about Financial Hardship to assess how easy it is to understand, whether it is helpful or off-putting. We consider information to be off-putting to a consumer if it is not set in the right tone or could potentially deter or discourage someone genuinely seeking support. We also considered whether the information was placed alongside other information about vulnerability.

Overall, the majority of the 40 websites provided helpful information that was easy to understand and not off-putting.

**35 of the 40 websites
were easy to
understand**

**34 of the 40 websites
provided information that
was helpful**

Subscribers need to strike an appropriate balance between providing too much or too little information. Too much information often leads to information overload and confusion. The five websites that we assessed as not easy to understand provided too much information and were not written in plain English. The six that were unhelpful, provided very little information.

**25% of the websites provided information that
was off-putting**

We also found that those that were not easy to understand were off-putting. They provided so much information, that it made the process seem daunting. Some websites also referred to the supporting information that may be requested as part of an application for support. For example, evidence of unemployment. While it is important that financial hardship applicants are aware of the evidentiary requirements, it is also equally important that this fact is conveyed on websites in the appropriate and sensitive manner, noting that the audience is likely to be someone already experiencing stress and anxiety.

We understand that some subscribers may be concerned about receiving numerous requests for financial hardship that may not be genuine. However, the Committee sees this risk as low because most people are reluctant to apply for financial hardship support because of the stigma that is associated with it or perceptions that there is little value in asking for help. The Committee does not consider that providing a lengthy detailed list of

supporting evidence to be helpful. This can make the process seem stressful and could deter individuals from contacting their insurer for help.

Subscribers are reminded that Financial Hardship means that an individual has difficulty in meeting their financial obligations to the insurer. This may not always be tied to an event such as loss of employment, illness or a natural disaster. Due to the increases in the cost of living, many individuals with a steady income are struggling financially.

It was however encouraging to see that 35 of the websites placed information about Financial Hardship support alongside other information relating to consumer vulnerability. The Committee considers this to be a good practice. Financial Hardship often intersects with other types of vulnerability.

Ease of access and quality of information

In the previous section of this report, information was provided about how easy it was to access information about Financial Hardship support on the websites. We have overlaid that information with the analysis of the quality of the information provided. When we combine all of this information, we found that of the 40 websites, seven provided information that was easy to find, easy to understand, helpful and not off-putting. As noted, nine websites had no information about financial hardship support. The remaining websites had varying degrees of accessibility and quality. Appendix A provides a consolidated analysis of each website.



Good practice

Several websites were found to provide a good level of information that was easy to navigate and understand.



Poor practice

The information provided on one website read like an internal policy. This provided too much information and is difficult for a consumer to understand.

Recommendations:

2. Consider the amount of information provided on the website. Some details might be best conveyed once the consumer has decided to make an application. It is important to strike a balance between providing too much information that can be daunting and off-putting or too little information that is then unhelpful.
3. Use simple terminology and headings to ensure that the information is set out clearly and conveyed in the right tone.
4. Consider placing the information about Financial Hardship support alongside other information about consumer vulnerability.

4.3 Support options and choice

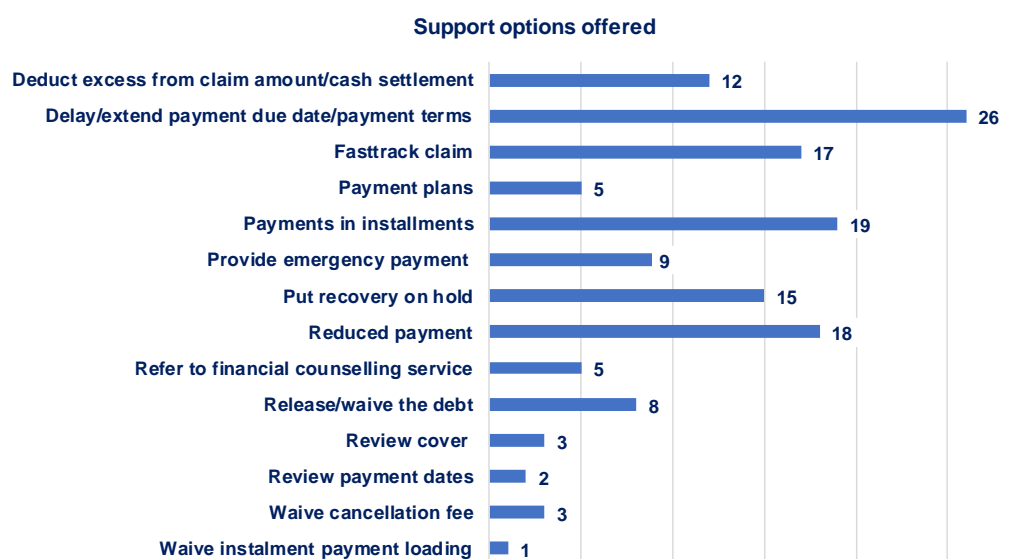
Paragraph 105 of the Code requires subscribers to provide information on the type of support options that may be available. 34 websites provided information about support options and six did not. Further information about the potential six Code breaches identified are covered below.

The Committee notes that paragraph 123 of the Code lists six types of financial hardship support that subscribers can offer one or more of. Paragraph 105 is silent on what websites should say about the types of options because paragraph 123 was inserted in a subsequent amendment to the Code.

In April 2021, the Australian Securities and Investments Commission (ASIC) issued a letter to general insurers.⁵ In this letter, ASIC explains that insurers need to build a more complete and robust hardship framework into their ongoing business models. It set out expectations for general insurers to offer a range of flexible support options to help consumers who are experiencing financial hardship.

Financial hardship comes in many forms and may range from temporary to entrenched. It is important that the support options offered be responsive and proportionate to the different degrees of severity or duration of financial hardship that a consumer may experience. A consumer could be more inclined to have a conversation with their insurer if they can see an option that might work for them.

On average, five support options were provided. Some websites were clear in explaining that these were only examples and that other options may be available. The below table sets out the number of times each support option was offered across the 40 websites we reviewed.



11 websites offered support with the payment of premiums

⁵ The letter is available on ASIC's [website](#).

The Committee was pleased to see that 11 subscribers offered support with the payment of premiums under an insurance policy. This goes beyond the Code's requirements.

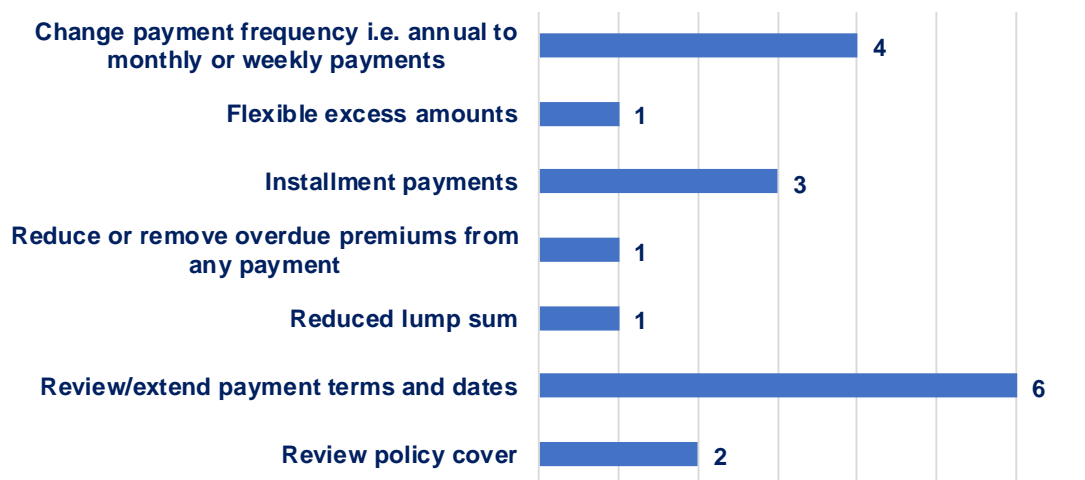
Paragraph 108 of the Code states:

The support that we provide does not include support with paying the premiums under an insurance policy we have issued.

12 subscribers stated that the Financial Hardship support offered did not apply to the payment of premiums. No further information was provided about this and it was not clear what a consumer should do in this circumstance. Whilst it is not an obligation under the Code, the Committee would urge subscribers to consider offering support to customers who are struggling with the payment of premiums. This is particularly important with the rise in cost of living and insurance premiums. 17 websites were silent about support for payment for premiums.

Websites offering support with the payment of premiums also provided information on the type of support that may be offered. The below sets out the support options that were mentioned:

Premium support options offered



Four subscribers said that they would consider changing the payment frequency – this could involve reducing from an annual payment to monthly or weekly. Although not directly tested in this inquiry, we understand that consumers typically pay more when opting to pay their premium on a monthly basis instead of yearly. It was not clear whether this would still apply when the consumer is offered this as a Financial Hardship support option. We may explore this in more detail in the second part of the thematic inquiry.

It was also noted that two subscribers stated the Financial Hardship support is only in relation to retail products. This is a misrepresentation of the Code as Part 10 is not limited to retail only products. The Committee will write to these subscribers to discuss this further.

**Good practice**

Eleven subscribers went beyond the Code and offered support for the payment of premiums.

**Poor practice**

Six subscribers did not provide any information about the type of options that may be available to those suffering from Financial Hardship.

Recommendations:

5. When providing information on the type of support options available, make it clear that these are examples and other options will be considered/explored with the consumer and tailored to their circumstances
6. Whilst not a requirement of the Code, the Committee encourages subscribers to reduce the risk of a policyholder being without insurance by offering support with the payment of premiums.

4.4 Communication methods and other support services

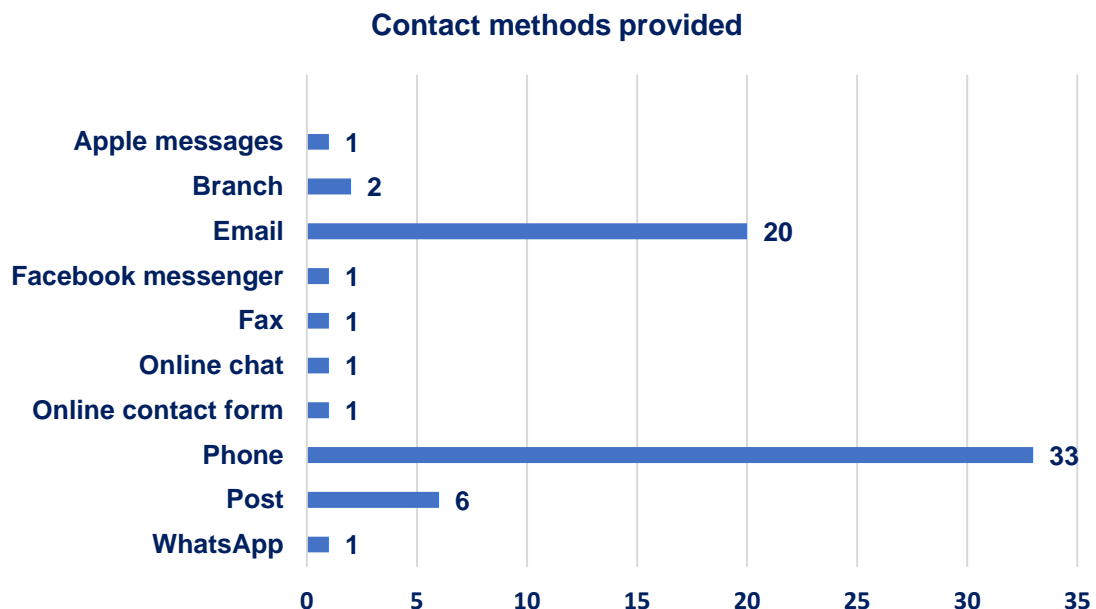
75% of the websites provided contact details on the same page as the information

40% of the websites only provided one method of access

It is important that website information about Financial Hardship sets out clear and identifiable pathways for a consumer to seek further information or help. The logical place to have this is on the page that the financial hardship information is given.

It is preferable to avoid consumers having to click between different pages or search for the information. Of the 25% that did not provide contact details on the same page, it was either provided on the page that the information was accessed via, as a hyperlink to a 'contact us' page or the consumer was left to find this on the website.

40% of the websites only provided one method of contact and this was typically a general enquiries telephone number. The Committee would encourage subscribers to provide consumers with different options on how to contact the firm for support. Individuals will have different preferences or requirements on how they wish to seek assistance. The chart below sets out the different types of contact methods that were provided:



The Committee was encouraged to see subscribers responding to the evolving use of applications in providing contact methods such as Apple messages, Facebook messenger and WhatsApp.

50% of the websites referred to **interpreter services**

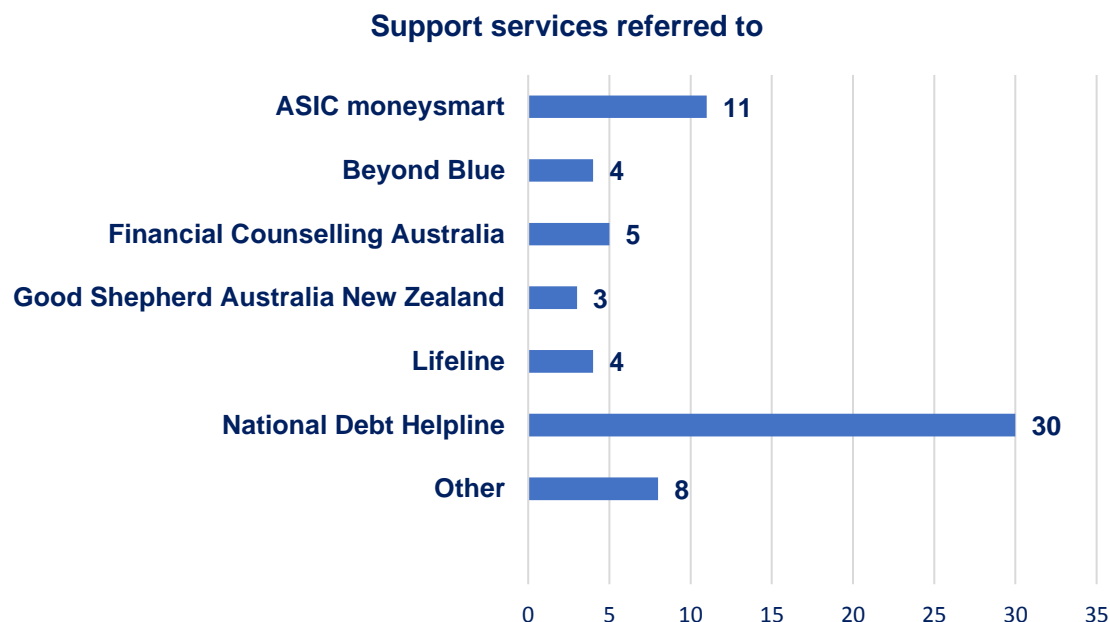
Two websites provided the information in **different languages**

25% of the websites referred to the **National Relay Service**

Given the diverse population of Australia, it was positive to see subscribers providing information about interpreter services. The Committee would encourage all subscribers to consider providing such information on their website and alongside information in relation to vulnerability. It was also positive to see that two subscribers had provided the information in different languages on their website.

85% of the websites provided details of other support services

The inquiry also looked at whether other support services were mentioned when giving information about Financial Hardship support. Where these were mentioned, 88% of the websites provided a link to the relevant website and contact details for the support service. The most common was the National Debt Helpline.



The eight 'Other' support services comprise of eight different service providers that were each referred to once only⁶.

⁶ The other support services referred to were: [Assure](#), [Australian Pro Bono Centre](#), [Department of Human Services](#), [Kildonan Uniting Care](#), [Legal Aid NSW](#), [National Insurance Brokers of Australia](#), [The Salvation Army Moneycare](#) and [WA Rural Financial Counselling Service](#)

**Good practice**

Two subscribers offered the information on Financial Hardship support in multiple languages.

**Poor practice**

Sixteen of the websites that provided contact details with Financial Hardship information only provided one contact option.

Recommendations:

7. Make it as easy as possible for consumers to contact subscribers for Financial Hardship support. This includes providing contact details on the same page as the information and multiple contact methods.
8. Subscribers are encouraged to provide:
 - a. Details and weblinks of other support services to assist a consumer with contacting those.
 - b. Financial Hardship information in different languages.

Appendix A: Accessibility and quality of the information provided on the websites

Website	Easy to understand	Helpful	Inviting (i.e. not off-putting)	Easy to find
1	Green	Green	Green	Green
2	Green	Green	Green	Green
3	Green	Green	Green	Green
4	Green	Green	Green	Green
5	Green	Green	Green	Green
6	Green	Green	Green	Green
7	Green	Green	Green	Green
8	Green	Green	Green	Red
9	Green	Green	Green	Red
10	Green	Green	Green	Red
11	Green	Green	Green	Red
12	Green	Green	Green	Red
13	Green	Green	Green	Red
14	Green	Green	Green	Red
15	Green	Green	Green	Red
16	Green	Green	Green	Red
17	Green	Green	Green	Red
18	Green	Green	Green	Red
19	Green	Green	Green	Red
20	Green	Green	Green	Red
21	Green	Green	Green	Red
22	Green	Green	Green	Red
23	Green	Green	Green	Red
24	Green	Green	Green	Red
25	Green	Green	Red	Green
26	Green	Green	Red	Green
27	Green	Red	Green	Green
28	Green	Red	Green	Green
29	Green	Green	Red	Red
30	Green	Green	Red	Red
31	Green	Green	Red	Red
32	Green	Red	Green	Red
33	Green	Red	Green	Red
34	Green	Red	Green	Red
35	Green	Red	Green	Red
36	Red	Green	Red	Green
47	Red	Green	Red	Green
38	Red	Green	Red	Red
39	Red	Green	Red	Red
40	Red	Green	Red	Red

Appendix B: Identified Code Breaches

As part of this inquiry, potential breaches of paragraph 105 of the Code were identified.

The potential breaches relate to:

- Eight subscribers where information about Financial Hardship support could not be found on their website; and
- Six subscribers not providing information on the type of support options that may be available.

The Committee will be writing to these subscribers to seek further information and determine if these are significant breaches of the Code.

There was also one subscriber that did not have its own separate website. Paragraph 105 applies to an individual subscriber and without a website, we could not assess this subscriber's compliance with paragraph 105. The Committee will consider what action needs to be taken in relation to this.

Two subscribers stated that the Financial Hardship support is only in relation to retail products. Paragraph 12 of the Code sets out the parts of the Code that apply to retail only. Part 10 of the Code is not listed at paragraph 12 and therefore applies to both Retail and Wholesale policies.

About the General Insurance Code Governance Committee

The General Insurance Code of Practice is a voluntary industry code that promotes high standards of service and better customer relationships in the general insurance industry. The Committee is the independent body responsible for monitoring and enforcing Code subscribers' compliance with the Code standards. See www.insurancecode.org.au

Statement of Recognition

We acknowledge the traditional custodians of the different lands across Australia, and pay respects to elders past, present and future.

For they hold the songlines, the stories, the traditions, the culture and the hopes of First Nations Australia.

This land is, was, and always will be traditional First Nations country.

We also acknowledge and pay respects to the traditional custodians of the lands on which our Code team works: the Wurundjeri, Boonwurrung, Wathaurung, Daungwurrung and Dja Wrung peoples of the Kulin Nation and Gadigal people of the Eora Nation.

Contact the Code Governance Committee

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