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VULNERABLE CUSTOMER, FAMILY VIOLENCE & FINANCIAL HARDSHIP POLICY



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Policy statement

Policy Audience	This policy is for the reference of all Meridian Lawyers' (ML) Principals, staff and contractors.
Policy Summary	<p>This Policy outlines guidance to ML staff to:</p> <ul style="list-style-type: none"> • Make it easy for insurance customers to tell us about their vulnerability or alternatively, identify customers who may be experiencing vulnerability; • Outline the processes ML has in place to support insurance customers experiencing vulnerability; • Outline roles and responsibilities; and • Create awareness of insurance customers experiencing vulnerability in order to seek ways to support these customers' experience.
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Approval Authority	Managing Director
Policy Approved By	Managing Director
Approval Date	March 2025
Policy Review Date	Annually or as required

Background and Purpose

ML provides specialist legal advice and support to insurers and other insurance industry participants in relation to the management of their insurance claims.

Most insurers have adopted the [General Insurance Code of Practice](#) (the **Code**), which, includes provisions relating to supporting those experiencing vulnerability and financial hardship. Those provisions apply to:

1. Individual insurer customers and third-party beneficiaries under retail insurance products
2. Individuals from whom insurers are recovering from in relation to retail insurance products (together, the **Insurer Customers**)

ML must assist clients who are insurers (Insurer Client) to comply with the Code requirements, by meeting those that are relevant to ML's role, including supporting Insurer Customers experiencing:

1. **Vulnerability, including mental health and family violence**
2. **Financial hardship**

Policy application

This policy applies to all Principals, employees and contractors of ML.

Mandatory training of the elements contained in this policy must be provided and undertaken by all staff on an annual basis.

A copy of this policy must be accessible on the 'Policies' page on Pulse and on the ML website.

The Code

Overview

- The Code covers **general** insurance products including motor vehicle (comprehensive and third-party property), home building, home contents, sickness and accident, consumer credit, travel insurance and personal and domestic property insurance products as defined in the *Corporations Act 2001* and the relevant Regulations.
- The Code does not apply to workers compensation, marine, medical indemnity, motor vehicle injury and domestic builders or domestic builders warranty/indemnity insurance. It also does not cover reinsurance, life insurance products issued by a life insurer and health insurance products issued by a registered health insurer.
- The Code is independently monitored and enforced by the [Code Governance Committee](#). The Committee may impose sanctions on insurers for a breach of the Code.
- Anyone can report alleged breaches of the Code to the Code Governance Committee at any time.
- Many insurers have adopted the Code which sets out standards of conduct for the **general insurers** who have adopted the Code and their Employees, Distributors and Service Suppliers (as defined in the Code).

A Service Supplier

- Service Supplier means an investigator, loss assessor or loss adjuster, collection agent, or a person, company or entity who is contracted to manage a claim on behalf of a company that has adopted the Code.
- If an insurer has adopted the Code, a Service Supplier must adhere to the standards of the Code.
- Standards for a Service Supplier (ML):
 - The Code applies differently to Retail Insurance and Wholesale Insurance. The whole Code applies to Retail Insurance
 - The following parts of the Code do not apply to Wholesale Insurance:
 1. Part 5 — Standards for our Service Suppliers
 2. Part 6 — Buying insurance
 3. Part 7 — Cancelling an insurance policy
 4. Part 8 — Making a claim
 5. Part 9 — Supporting customers experiencing vulnerability
 6. Part 11 — Complaints (except in limited circumstances).
 - Conduct standards include:
 1. When liaising an Insurer Customer, we must disclose to them the service we have been authorised to provide and that we are acting on their behalf.

2. If a complaint is made about a Service Supplier, we must report this to our client within 2 business days (or sooner if required in our client’s Legal Services Agreement). The complaint will be handled under the Code’s Complaints process.
- A Service Supplier must disclose any breach of the Code to our client within 2 business days (or as defined in our client’s Legal Services Agreement).

Further information can be found at www.codeofpractice.com.au.

Vulnerable Customers

Vulnerable Customers – Definition

An Insurer Customer's vulnerability may be due to a range of factors such as:

- Age
- Disability
- Mental health conditions
- Physical health conditions
- Family violence
- Language barriers
- Literacy barriers
- Cultural background
- Aboriginal or Torres Strait Islander status
- Remote location
- Financial distress

Vulnerable Customers – Examples

A vulnerable person may include someone who:

- Is suffering from a medical condition, including chronic illness, terminal illness, drug or alcohol abuse
- Is experiencing a traumatic life event
- Is dependent on a carer, or who has a dependent with a serious disability or health condition
- Has been the victim of a violent crime
- Is a single parent or widow/widower
- Is a former refugee having recently arrived in Australia or New Zealand
- Is expressing threats of self-harm or suicide
- Is expressing threats of harm to others and/or property

Vulnerable Customers – Scenarios

- A customer with a hearing impairment who can only communicate in writing or who requires a support person to assist.
- A customer who is under threat of family violence or coercive control and requires support with making independent, confidential enquiries where their partner or spouse are excluded from the transaction.
- A customer requiring translation support when communicating or providing information and documentation.
- A customer suffering from financial hardship who cannot afford to meet their debt recovery obligations.
- A customer who advises or indicates that they are at risk of or will carry out self-harm.
- A customer experiencing significant hardship due to the event that resulted in their claim, for example, the loss of a partner/spouse, a loss of their property or a loss of their business.

Vulnerable Customers – Identification

There are several ways to identify a vulnerable person, including:

- Direct disclosure by the party either verbally or in writing.
- Through medical records or other substantiation/documentation received or provided.
- The way the person communicates or expresses themselves, i.e. may talk very emotively, may seem unable to talk freely or become emotional when speaking.
- The person becomes aggressive or abusive.
- Through information disclosed by other third parties, i.e. investigators or loss adjusters.
- The subject of the claim may also create vulnerability, i.e. a severe injury or fatality claim.

Note: Vulnerable customers may be reluctant or unable to disclose their circumstances.

Vulnerable Customers – Notification Requirements

Where a ML staff member is told of or identifies an Insurer Customer's vulnerability, they must:

- Create a detailed file note recording relevant information regarding what they have been told or identified and saving that onto ML's legal file.
- An Insurer Customer's privacy must always be protected when they disclose sensitive information which identifies them as a vulnerable customer. Where information is recorded electronically, the file should be made accessible only by staff managing or overseeing the matter by applying appropriate security to the file. Promptly advise the Responsible Principal for the matter and the Client Relationship Principal.
- Flag the matter by sending an email to: Compliance@meridianlawyers.com.au which includes key details to be recorded in ML's Insurance Compliance Register.

- Promptly contact the instructing Claims Adviser or other appropriate representative of the relevant Insurer Client to notify them of the vulnerability and provide written details to them within 2 Business Days (or sooner as defined in the client’s Legal Services Agreement).
- Have regard to directions from the Insurer Client in determining their approach to dealing with the Insurer Customer.

Mental Health

Mental Health – Overview

Australia’s National Mental Health Policy defines a mental illness as:

“A clinically diagnosable disorder that significantly interferes with an individual’s cognitive, emotional, or social abilities”

Mental Health – Claims Management

A ML staff member should treat Insurer Customers with a past or current mental health condition fairly, and adopt a respectful and positive approach in their dealings with them.

Claims by Insurer Customers with mental health conditions should be:

- Processed sensitively having regard to the Insurer Customers ongoing medical treatment needs.
- Treated in the same way as for any other medical condition, including by having regard to prognostic data and documented rates of prevalence, morbidity, and mortality.

An Insurer Customer’s mental health conditions should be categorised according to commonly accepted professional standards.

A ML staff member should recognise that an Insurer Client is:

- Required to design and sell their products and apply their product terms in compliance with the requirements of the *Disability Discrimination Act (Cth) 1992* and/or any relevant State or Territory anti-discrimination requirements.
- Subject to Code guidance that claims should not be denied on the basis of a pre-existing mental health condition where the covered event does not relate to the pre-existing mental health condition.

Family Violence

Family Violence – Overview

The Family Law Act 1975 (Cth) section 4AB defines that family violence may involve:

“Violent, threatening or other behaviour by a person that coerces or controls a member of the person’s family (the family member) or causes the family member to be fearful”

Family violence can also include emotional abuse, psychological abuse, sexual abuse, financial or economic abuse, and damage to property.

The Australian government has developed the [National Principles to Address Coercive Control in Family and Domestic Violence](#) (the National Principles). The National Principles create a shared national understanding of coercive control, which is important for improving the safety of Australians, particularly women and children.

The 7 National Principles focus on:

1. A shared understanding of the common features of coercive control
2. Understanding the traumatic and pervasive impacts of coercive control
3. Taking an intersectional approach to understanding features and impacts
4. Improving societal understanding of coercive control
5. Embedding lived experience
6. Coordinating and designing approaches across prevention, early intervention, response, and recovery and healing
7. Embedding the National Principles in legal responses to coercive control.

Family Violence – Indicators

Indicators of an Insurer Customer experiencing family violence may include:

- Appears, or sounds, distressed or scared
- Is seen, or heard, to be taking instructions from their partner
- Remains silent while another party does all the talking
- Does not understand, or is not aware, that cover has been taken out in their name or covering their property
- Asks questions about a joint policyholder’s behaviour or activities
- Has concerns about protecting their personal privacy or safety, or the security of their policies
- Is reluctant to involve the other joint policyholder when making a claim or seeking Financial Hardship help
- Changes their address frequently
- Does not want their physical address recorded
- Has been consistently late with premium payments
- Discloses the existence of any past or present family violence, or an intervention order or its equivalent

Family Violence – Identification

A ML staff member that is told or identifies an Insurer Customer experiencing family violence must:

- Notify the Responsible Principal for the matter and the instructing Claims Adviser or other appropriate representative of the relevant Insurer Client, and have regards to their direction.
- Give priority to the safety of the Insurer Customer and their family.
- Deal with the Insurer Customer in an appropriate and sensitive way.
- Protect the private, confidential, and personal information of an Insurer Customer by:
 - Applying password protected security to the ML legal file
 - Ensuring that the entry into ML's Insurance Compliance Register does not contain any private, confidential or personal information
- Minimise the number of times an Insurer Customer needs to disclose information about family violence.
- Discuss safe ways to communicate with the Insurer Customer and record the plan on the ML legal file, for example by asking them:
 - Whether it is a good time to talk
 - If it is safe to leave phone messages
- Ensure that arrangements to collect debts from an Insurer Customer are handled sensitively.
- Ask the Insurer Customer if they are experiencing financial hardship and arrange access to financial hardship help where appropriate.
- Provide the Insurer Customer with information regarding how to obtain assistance or access specialist services in accordance with directions from the Insurer Client.
- Do NOT disclose your own details if you must contact a perpetrator of family violence.

Financial Hardship

Financial Hardship – Overview

Financial Hardship can arise when an Insurer Customer has difficulty meeting their financial obligations to the insurer.

Insurer Customers who are experiencing Financial Hardship may be entitled to support if they are:

- An individual insurer customer or third-party beneficiary who owes the insurer money, including an excess, under an insurance policy
- An individual who the insurer is seeking to recover money from because they caused damage or loss to an insurer customer or third-party beneficiary

That support does not include support with paying premiums under an insurance policy.

Note: ML staff should encourage an Insurer Customer to disclose to them if they are experiencing financial hardship.

Financial Hardship – Indicators

In accordance with the Code, financial hardship refers to a circumstance where the individual has or may have difficulty meeting their financial obligations to the insurer.

Customers may suffer from financial hardship, particularly in relation to a claimable event and require additional support.

Indications of financial hardship may include where:

- The customer receives Centrelink benefits and can provide Centrelink statements.
- There is evidence of serious illness that prevents the customer from earning an income.
- The customer is unemployed or has a disability, including a disability caused by mental illness.
- A customer requests expedited settlement or interim payments, in relation to a claim.
- A customer requests for their excess to be paid in instalments or waived entirely on grounds of financial hardship.
- A customer directly requests financial hardship support or submits a financial hardship application.

Note: Once it is established that the Insurer Customer may be suffering financial hardship, they must be assessed in accordance with the Insurer’s financial hardship procedures.

Where a ML staff member is told of or identifies an Insurer Customer’s financial hardship, they must:

- Create a detailed file note recording relevant information regarding what they have been told or identified and saving that onto ML's legal file.
- Promptly advise the Responsible Principal of the matter and the Client Relationship Principal.
- Flag the matter by recording key details onto ML’s Insurance Compliance Register
- Promptly contact the instructing Claims Adviser or other appropriate representative of the relevant Insurer Client to notify them of the financial hardship and provide written details to them
- Have regard to directions from the Insurer Client in determining their approach to dealing with the Insurer Customer

Financial Hardship – Support Measures

Subject to directions from the Insurer Client, where a ML staff member is told of or identifies an Insurer Customer’s financial hardship, they will provide the Insurer Customer with:

- A completed financial hardship application form which meets the relevant Insurer Client’s requirements for them to apply for financial hardship support.

- Contact details for the National Debt Helpline – Tel: 1800 007 007

ML will support the Insurer Client in its handling of applications for financial hardship support and recognises that, in dealing with an Insurer Customer's application, the Insurer Client:

- Will keep the Insurer Customer updated about the status of their application
- Will consider all reasonable evidence relating to the application, such as evidence of illness, disability, Centrelink Statements, or unemployment
- May need to provide ML with further information from the Insurer Customer, and in this instance, it will:
 - Only request information that is reasonably necessary for it to assess the application
 - Be specific about the information needed
 - Request the information as early as possible
 - Allow the Insurer Customer 21 days to provide the information, unless a different timeframe is agreed
- May put recovery of an amount from the Insurer Customer on hold pending a decision on the financial hardship application
- Will advise the Insurer Customer in writing of its decision whether to give them financial hardship support:
 - Within 21 days of receiving their application or of further information requested
 - If the Insurer Customer does not provide all further information requested within 21 days, or a later date agreed to, within 7 days of that deadline passing
- If it decides the Insurer Customer is entitled to Financial Hardship support, it will:
 - Work with the Insurer Customer to implement an arrangement that could include any one or more of the following:
 1. Delaying the date on which a payment must be made
 2. Paying the Insurer Client in instalments and/or paying a reduced lump sum amount
 3. Delaying one or more instalment payments for an agreed period
 4. Deducting the excess from the claim amount the Insurer Client is due to pay them
- Confirm the agreed arrangement with the Insurer Customer.
- If agreement cannot be reached on how the Insurer Customer is to be supported, advise the Insurer Customer in writing about its complaints process.
- May decide to fast-track an insurance claim.
- May agree to release, discharge, or waive a debt or obligation owed by the Insurer Customers, which it will confirm in writing.

- If it decides the Insurer Customer is not entitled to financial hardship support, will tell them the reasons for their decision and about their complaints process.

Note: ML should comply with the [Debt Collection Guideline: For Collectors and Creditors](#) jointly published by the ACCC and ASIC in relation to any collection of money from an Insurer Customer.

Related policies & resources

Related Policies

Privacy Policy

Financial Hardship Policy (Guild)

Incidents and Breach Handling Policy (Guild)

Complaints Handling Policy (Guild)

Supporting Customers Experiencing Vulnerability (Guild)

**Procedures and Quick
Reference Guides**

Complaints Handling Procedure (Guild)

Resources and Templates

[General Insurance Code of Practice](#)

Financial Hardship Application Form

Meridian Matter Number: _____

Client Reference Number: _____

DETAILS

Applicant Name

Applicant Address

SUBURB

POSTCODE

Do you want a representative to handle your application on your behalf?

YES / NO

If you answered yes to the previous question, provide the name and contact details of your representative

Circumstances of Hardship

Nature of Assistance Requested

- Instalment Payment
If so, how often and over which period? _____
- Reduced Lump Sum
If so, what can you afford to repay? _____
- Other
Please specify details of what you are seeking

Independent Support

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 via Financial Counselling Australia
<http://www.financialcounsellingaustralia.org.au> or through the national financial counselling hotline 1800 007 007.

Financial Statement

INCOME (weekly unless otherwise stated)

Your average weekly income after tax from salary or wages	\$	_____
Social security benefits/pensions (include family payments etc)	\$	_____
All other income (eg self-employed income, interest, dividends, rent or trust distributions)	\$	_____
TOTAL	\$	_____

EMPLOYMENT DETAILS

What is the name of your employer?

What is the address of your employer?

SUBURB

POSTCODE

Is your salary or wage paid by your employer into an account in a bank or financial institution?

If you answered yes to the previous question, identify the institution, branch, BSB and account number.

PROPERTY OWNED BY YOU

		CURRENT VALUE
Home	PROPERTY ADDRESS	\$ _____
	VALUE OF EQUITY, IF ANY \$	_____
Other property	PROPERTY ADDRESS	\$ _____
	VALUE OF EQUITY, IF ANY \$	_____
Funds in banks/ financial institutions, including funds held in off-set accounts	INSTITUTION, BRANCH, BSB AND ACCOUNT NUMBER	\$ _____
	INSTITUTION, BRANCH, BSB AND ACCOUNT NUMBER	\$ _____
Investments	NAME AND TYPE OF INVESTMENT	\$ _____
Motor vehicle	YEAR MAKE	\$ _____
	MODEL REGISTRATION NO	_____
Household contents		\$ _____
Other personal property	DESCRIPTION AND LOCATION	\$ _____

TOTAL VALUE OF PROPERTY OWNED BY YOU

\$

[Add extra lines, if necessary, so that all details of income and assets are disclosed.]

LIABILITIES

Average weekly expenses:

ITEM	WEEKLY AMOUNT
Food	\$
Household supplies	\$
Mortgage/rent	\$
Gas	\$
Electricity	\$
Heating fuel	\$
Rates/levies	\$
Telephone	\$
Motor vehicle	
• Petrol	\$
• Maintenance	\$
• Registration/insurance	\$
Medical/hospital funds	\$
Other insurance (specify)	\$
Fares	\$
Clothing and shoes	\$
Entertainment/hobbies	\$
Education/childcare expenses, including fees and levies	\$
Medical/chemist /pharmaceutical	\$
Hire purchase payments	\$
Credit cards	\$
Other necessary commitments, including weekly payments on other liabilities, listed above (specify)	\$
TOTAL WEEKLY EXPENSES	\$

Other liabilities:

LIABILITIES	NAME OF BANK/INSTITUTION	TOTAL AMOUNT OWED
Home mortgage		\$
Other loans		\$
Credit cards		\$
Credit cards		\$
Other liabilities (specify)		\$
TOTAL		\$

[Add extra lines, if necessary, so that all details of weekly expenses and liabilities are disclosed.]

Does anyone contribute to paying these liabilities (eg your spouse/partner)? Yes No

If yes, give the person's details:

Name of person	
----------------	--

Amount of contribution per week	
---------------------------------	--

Do you have any dependants? Yes No

If yes, give details:

--

ADDITIONAL QUESTIONS REGARDING FINANCIAL CIRCUMSTANCES

Do you have any income, assets or liabilities not disclosed in this financial statement?

--

If you answered yes to the previous question, give details of the other income, assets (including their location) or liabilities.

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DOCUMENTS TO BE PRODUCED

As a minimum you will need to provide supporting documentation regarding your primary income. Depending on your specific needs and circumstances, further supporting documentation may be requested to assist in reviewing your application.

Required documentation:

- Payslip
- Bank statement
- Centrelink statement (if applicable)

Other supporting documentation that may assist your application:

- Letter from employer confirming loss of employment
- Letter from a medical practitioner confirming inability to earn income due to disability, injury, illness or caring for sick family member
- Letter from charitable organisation regarding loss of employment or inability to provide for necessities
- Bank record or notification of unpaid overdraft or repossession of mortgaged property
Eviction notice
- Copies of bills/payments
- Pending disconnection of essential service/s
- repossession notice of essential items e.g., car, motorcycle
- Funeral expenses
- Notice of impending legal action
- Family law court document recording changes to your (or your family's) financial circumstances

SIGNATURE

The information contained in the financial hardship application is true and correct.

I have attached copies of the documents that I have been asked to produce.

Signature

Date of signature

Telephone

(Include your telephone number if you consent to being contacted by the judgment creditor's solicitor to clarify any of the information you have provided in this notice.)