

HQ INSURANCE PTY LTD

TREATING CUSTOMERS FAIRLY PROCEDURES

1 PROVISION OF SERVICES

1.1 EFFICIENT, HONEST, TRANSPARENT AND FAIR

At HQ Insurance Pty Ltd (HQ) we ensure that at all times insurance our services are being provided in an efficient, honest, transparent and fair manner. This obligation is imposed by the Australian financial services laws and is broader than the common law responsibility to use due, skill, care and diligence. Our clients, customers and underwriters must be treated, not only efficiently, honestly, transparently and fairly, but also with respect and courtesy as they are extremely important to HQ's business.

1.2 INDUSTRY CODES OF PRACTICE

As brokers and underwriters you need to be aware of the Insurance Industry Codes of Practice which include how you must treat your customers fairly in all areas of your job role including the handling of claims (if you are required to) and complaints. They are:

- + The **General Insurance Code of Practice**, which regulates the conduct of insurers who adopt the **Code** (e.g. Lloyd's);
- + The **Insurance Brokers Code of Practice (IB COP)** which regulates the conduct of insurance brokers; and
- + The **National Insurance Brokers Association of Australia (NIBA)** Code of Conduct.

1.3 GENERAL INSURANCE CODE OF PRACTICE

As HQ acts on behalf of certain Underwriters at Lloyd's, who have subscribed to the General Insurance Code of Practice (**Code**), you must comply with the **Code** whenever selling the Lloyd's products or handling claims (if required) on behalf of Lloyd's. If you do not comply, the insured can report HQ to Lloyd's or directly to the Australian Financial Complaints Authority (AFCA).

Where there is a co-insurance arrangement, all of the insurers must have adopted the **Code** for the policy to be covered by the **Code**. This is the link to the **Code**: www.codeofpractice.com.au

The **Code** requires you to:

- + Ensure your dealings with customers are open and transparent. You must not engage in any misleading, deceptive, dishonest or fraudulent act or omission.
- + Provide high standards of service when selling insurance, dealing with claims, responding to catastrophes and disasters and handling complaints.

To achieve this:

- + Provide an overview of what services an insured can expect you to provide;
- + If dealing with a retail client, it would be your responsibility to carefully consider the insurance policy and whether it suits the client's individual needs and circumstances and to meet their obligations under the terms of the policy;
- + Use consistent policies and processes for implementation instructions; and
- + Use compliance monitoring and supervision to make sure these processes are adhered to.

The **Code** covers all general insurance products with the exception of:

- + Workers compensation;
- + Marine insurance;
- + Medical indemnity insurance;

HQ INSURANCE PTY LTD

- + Compulsory third-party insurance; and
- + Life and health insurance products issued by life or registered health insurers.

The Code is designed to raise service standards for consumers in a number of areas including training of employees and service providers, buying insurance, insurance claims, financial hardship, repair workmanship and materials, responding to catastrophes and disasters, and complaints handling.

As an Underwriting Agency that acts on behalf of Lloyd's, who subscribe to the Code we include clear and accessible information about the Code in our product information and on our website.

The Australian Financial Complaints Authority (AFCA) is responsible for monitoring and reporting on Code compliance and will prepare annual reports on Code compliance. Breaches of the Code can be reported to AFCA, which will then:

- + Investigate the breach;
- + Provide the opportunity for the insurer to respond;
- + Determine whether a breach has occurred;
- + Reach agreement with the insurer about what corrective action, by when it will be taken and how it will be monitored.

AFCA will investigate whether the corrective measures have been implemented within the agreed time frame and may report any failure to correct the breach to the **Code** Compliance Committee within 10 business days of the end of that time.

AFCA will report to the **Code** Compliance Committee on:

- + Significant breaches of the **Code**, including agreed corrective action;
- + The outcomes of agreed AFCA **Code** compliance monitoring reviews; and
- + Any incidents where AFCA cannot reach agreement with a breaching party regarding corrective action.

The **Code** Compliance Committee can impose the following sanctions:

- + A requirement that particular corrective action be taken within a specified time frame;
- + A requirement that a compliance audit be undertaken;
- + Corrective advertising; and/or
- + Publication of the non-compliance.

Code Compliance Committee decisions are binding on Code subscribers.

1.3.1. HQ as Lloyd's Coverholders

The **Code** applies to business written under binder by Lloyd's Coverholders located in Australia, as well as binder claims adjusted by a claims administrator located in Australia.

The **Code** does not apply to Lloyd's business where:

- + The business is placed via the open market and written outside Australia; and
- + The claims are adjusted outside Australia.

1.4 GUIDELINES FOR HANDLING COMPLAINTS

When you receive a client complaint, follow these golden rules:

- + Try to remain calm even in the most demanding situations. Help the client maintain their control, no matter how angry they are;

HQ INSURANCE PTY LTD

- + Treat the client courteously and fairly at all times;
- + Be convincing in your expressions and actions to earn client trust;
- + Listen to the client – while they are not always right, a dissatisfied client is a liability, not an asset;
- + Be patient if the client communicates poorly and help them to get their meaning across;
- + Understand when to say "no" and be firm without antagonising the client.
- + Always say, "Thank you";
- + Explain why you appreciate the reasons for the complainant calling;
- + Apologise for the mistake;
- + Promise to follow up on the problem immediately;
- + Ask for the necessary information;
- + Correct the mistake - promptly;
- + Check client satisfaction; and
- + Prevent future mistakes.

For more information on Complaints handling please refer to the HQ Insurance Pty Ltd Complaints and Disputes Policy and Procedures, & please note that the Complaints handling procedures changed in 2021.

The following sections apply to both the General Insurance Code of Practice and The Insurance Brokers Code of Practice.

1.5 DEALING WITH VULNERABLE INSURED

When we are dealing with retail insurances where the insurer is a **Code** subscriber, HQ has internal policies to support those who are affected by vulnerabilities, including family violence and mental health conditions.¹

The aim is to engage with those affected in a compassionate, sensitive, dignified and respectful way. HQ's policies include identifying and understanding when someone is vulnerable and how to consider their needs or vulnerability and arrange additional support, for example referring the vulnerable person to people, or services, with specialist training and experience.²

A person's vulnerability can be due to any of the following factors:³

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

Support measures must be provided to those who are vulnerable⁴ including:

¹ Part 9 General Insurance Code of Practice 2020

² Section 96 General Insurance Code of Practice 2020

³ Section 92 General Insurance Code of Practice 2020

⁴ Sections 97 to 103 General Insurance Code of Practice 2020

HQ INSURANCE PTY LTD

- + Finding a way to work with the person that is suitable, sensitive and compassionate, protects the person's privacy and makes it easier for them to communicate with HQ;
- + Identifying whether the person requires additional support and working reasonably with that support person – for example, a lawyer, consumer representative, interpreter or friend or a financial counselling or community support service;
- + Implementing these support measures as early as possible and ensuring our processes are flexible enough to recognise the authority of a support person who is helping the person;
- + Supporting those who may have difficulty providing identification and providing flexible alternatives for verification of identity – especially for people from the Aboriginal or Torres Strait Islander community or a non-English speaking background;
- + Access to interpreter services where this is requested by the person or reasonably necessary for us to communicate with the person and providing information on our website about how to access these services for people who have language barriers.

For those who have a past or current mental health issue condition, HQ has internal policies⁵ to:

- + Design and sell our insurance products and apply their terms in compliance with the requirements of the Disability Discrimination Act 1992;
- + Treat people with any past or current mental health condition fairly;
- + To ask only relevant questions when deciding whether to provide cover for a pre-existing mental health condition and if we cannot provide the intending insured with cover for that condition, we will tell them about their right to ask us for the information we relied on when assessing the application.

More guidance on the internal policies, training and resources required is in the 'Guide on mental health to support the Insurance Council of Australia's General Insurance Code of Practice'.⁶

1.6 FAMILY VIOLENCE POLICY

We have a family violence policy in place which is publicly available on our website.⁷ Family violence is "violent, threatening or other behaviour by a person that coerces or controls a member of the person's family . . . or causes the family member to be fearful".

HQ's family violence policy provides for:

- + Making sure that safety is paramount for anyone affected by family violence;
- + Early recognition of family violence and training to improve our responses to someone affected by family violence;
- + Protecting the private and confidential information of customers affected by family violence;
- + Minimising the number of times a customer affected by family violence needs to disclose information about family violence;
- + Ensuring appropriate and sensitive claims handling processes for claimants affected by family violence;
- + Ensuring collection arrangements are handled sensitively;
- + Arranging access to financial hardship help;
- + Informing customers, our employees, brokers and service suppliers about information and assistance that is available to people experiencing family violence;
- + Referring customers, and our employees information about specialist services supporting people experiencing family violence; and
- + Supporting employees and our participating brokers who are themselves affected by family violence; or
- + Experiencing vicarious trauma after serving affected customers.

⁵ Section 104 General Insurance Code of Practice 2020

⁶ http://codeofpractice.com.au/2020/ICA001_COP_Guide_on_mental_health_D3.3.pdf

⁷ Section 7 General Insurance Code of Practice 2020

HQ INSURANCE PTY LTD

Our employees have ongoing training so that they are aware of the policies and procedures that apply to HQ's family violence policy. Anyone handling claims at HQ and the Third-Party Administrator of HQ claims will also be required to have ongoing training on awareness of family violence.

More guidance on the internal policies, training and resources required is in the 'Guide to helping customers affected by family violence to support the Insurance Council of Australia's General Insurance Code of Practice'.

This is the website link: www.codeofpractice.com.au

1.7 FINANCIAL HARDSHIP

Financial hardship is where the insured, or another person that HQ may be dealing with, has difficulty meeting their financial obligations with HQ, as the agent of the insurer.

For example, if the person is an insured or a third-party beneficiary who owes HQ money — including an excess — under an insurance policy HQ has issued, or we are seeking to recover money from the person as an insurance recovery (because we believe the person caused damage or loss to our insured, or a third-party beneficiary, or their property, which is covered by the insurance policy).

It is important to note that we are not required to provide financial hardship support with paying premiums.

Although HQ does not settle claims, it is important that our staff are aware of the financial hardship conditions that apply and are included in Part 10 of the General Insurance Code of Practice – here is the link to the current Code: www.codeofpractice.com.au

1.8 LANGUAGE & LITERACY BARRIERS INFORMATION

HQ are committed to ensuring there is no communication barrier. Some customers may have difficulties communicating effectively with HQ due to language barriers or limited literacy skills.

If our staff at HQ are having trouble communicating with our customers, there are a number of support services we can use to communicate effectively. These services are offered to HQ's customers where required and are detailed below.

1.8.1. Translation and interpreting services

The Translating and Interpreting Service (TIS National) is an interpreting service provided by the Department of Immigration and Border Protection for people who do not speak English and for agencies and businesses that need to communicate with their non-English speaking clients.

TIS National provides interpreting assistance to enable non-English speakers to access government agencies and services, police and legal services, education, healthcare and community groups, as well as services offered by private businesses.

TIS National provides the following interpreting services:

- + Immediate phone interpreting;
- + ATIS Voice automated voice-prompted immediate phone interpreting;
- + Pre-booked phone interpreting;
- + On-site interpreting; and
- + Illegal Maritime Arrival (IMA) interpreting.

The TIS National immediate phone interpreting service is available 24 hours a day, every day of the year for the cost of a local call for any person or organisation in Australia who needs an interpreter.

Further information can be found on their website at:- <https://www.tisnational.gov.au/>

HQ INSURANCE PTY LTD

1.8.2. Accessibility services - Relay and Typewriter (TTY) Services

If a customer is deaf and/or they find it hard hearing or speaking over the phone, the National Relay Service (NRS) are able to assist. The NRS is available 24 Hours a day, every day (regular phone costs apply):-

- + Teletypewriter (TTY) Users - phone 133 677
- + Voice Relay (Speak & Listen) Users - phone 1300 555 727
- + SMS Relay Users - phone 0423 677 767

For more information please visit the National Relay Service's website: -

<https://www.communications.gov.au/what-we-do>