

Step 1. I am experiencing financial hardship and can't afford to pay

If you are experiencing financial hardship and you can't afford to pay:

- **If you are insured** (comprehensive or third party property insurance) and you are being chased for more than what your excess is, you should consider making a claim with your insurer immediately. If you can't afford to pay your excess, click "**I can't afford my excess**"
- **If you can't claim on your insurance**, you should speak to a Financial Counsellor. To speak to a free Financial Counsellor, call the National Debt Helpline on 1800 007 007. You may be able to negotiate a reduced amount, payment plan or a release from the liability under the General Insurance Code of Practice.

This next section applies when you are being chased for money and not claiming on your own insurance. **You are chased by the other party (no insurance company is involved)** If you are chased directly by the other party, you can tell them that you can't afford to pay and try to negotiate for a repayment arrangement and/or lesser amount. It will be up to the other party to decide whether to take you to court if you do not pay. You should get [legal advice](#) if this occurs (**see the links at the bottom of this page**). **You are chased by an insurance company** If you are chased by an insurance company, you have a right to request an affordable repayment arrangement. Under the General Insurance Code of Practice, the other party's insurance company must work with you if you are in financial hardship. You should contact the insurer or their debt collector and ask to make a payment arrangement. You should only offer what you can afford to pay. You should put your offer in writing. If you are arguing that the amount claimed is too much, you must be prepared to pay, or start paying, the amount you know you owe. To offer a payment arrangement that suits your needs see:

- [Sample Letter to the other party's insurer offering to pay an insurance debt](#) on our website

If you can't afford to pay at all for a while (and have no significant assets) see:

- [Letter to other party's insurer requesting release from debt](#) on our website

You should get legal advice if:

- you don't get a response
- your request is rejected and you are forced into an arrangement that you can't afford
- your request is rejected and you are forced to pay a lump sum amount by a certain date that you can't afford.

If you are in financial hardship and the insurance company doesn't work with you, you can make a complaint to the Code Compliance Committee. You should explain there has been a breach of the General Insurance Code of Practice and request an investigation. For a sample letter on making a complaint see:

- [Insurance Code complaint](#) on our website

You will need to attach copies of any letters or emails between you and the insurer. You should also include details of any phone conversations, for example, the date, the name of the person you spoke to and what was said to the best of your recollection. Note: The Code Compliance Committee can't make the insurer accept a repayment arrangement.

You can also request a review through the Internal Dispute Resolution process at the insurance company. To find the insurance company details, see:

- [Find a financial firm or superannuation fund](#) on the [Australian Financial Complaints Authority \(AFCA\) website](#).

If you don't come to any agreement If you can't come to an agreement, the other party (or their insurer) can start court action. Note: Legal costs and Court costs maybe added onto the amount claimed. If action is started against you, you have 28 days to respond. You should get legal advice. If the matter goes to a hearing, the Court will make a decision based on the evidence. The Court may also make order that one party pay the other party's costs. For example, the Court may order the losing party pay the reasonable legal costs of the winning party. TIP: If you are arguing that the amount claimed is too much you must be prepared to pay, or start paying, the amount you know you owe. Note: The other party (or their insurer) has six years to start a case against you in court. To respond to a claim following a car accident see:

- [Responding to a Statement of Claim](#) on the LawAccess NSW website

If you have received court documents, you should get [legal advice](#). You can start by contacting LawAccess NSW on 1300 888 529. You may be able to get free legal assistance from [Legal Aid NSW](#) or your local [Community Legal Centre](#). If you are unable to get free legal assistance, you may need to speak to a private lawyer. To find a

private solicitor, contact the [NSW Law Society](#). If you do not respond within the 28 days, the other party can apply for a court judgment against you, without a hearing. **Once a court judgment is entered against you** You also have the option to apply to the Court to repay the debt in instalments over time, if you accept you owe the amount of the judgment (including court and legal costs). LawAccess has information on how to do this at [Paying by instalments after judgment](#). If you dispute the amount, get legal advice immediately from [Legal Aid NSW](#) or your local [Community Legal Centre](#).