

Step 1. I'm insured but can't afford to pay my excess

The excess is the cost an insured person must pay their insurance company if they choose to make a claim with their insurer. The insurer is asking you to contribute an amount to the costs of the claim so that you share some of the risk. This is to reduce claims and premiums (the cost of insurance). If you are in financial hardship, it can be hard to pay your insurer the cost upfront. You can ask your insurer:

- if you can pay the excess in instalments
- to deduct it from your claim- this means the insurer pays the other party the amount they are claiming less your excess. The other party or their insurer may then chase you for the balance.

Note: Your insurer can't refuse to process your claim because you can't pay the excess. *Example You are at fault in an accident. You have Third Party Property insurance with Insurer A. You hit a car insured with Insurer B. Insurer B demands \$5,000 from you. Your excess to Insurer A is \$600. Insurer A pays Insurer B \$4,400. Insurer B contacts you, and you arrange to pay the remainder of \$600 in instalments.* Your insurer should agree to either an instalment arrangement or to deduct the excess. Deducting your excess will only be practical if the claim is paid out. If the insurer won't be reasonable you should get legal advice. You can call the Insurance Law Service on **1300 663 464**.

For more information see:

- [Checklist – Paying your excess](#) on our website
- [Sample Letter – Can't pay my excess](#) on our website

If you are in financial hardship and need help to propose an instalment arrangement to your insurer, you can call a Financial Counsellor. To speak to a free Financial Counsellor, call the National Debt Helpline on **1800 007 007**. Click on the **“I am experiencing financial hardship”** link below, if:

1. your own insurer has paid the amount claimed by the other party, less your excess, and
2. the other party (or their insurer) is chasing you to pay the deducted amount, and

3. you can't afford to pay that amount.

For more information on excesses, or if you are asked to pay multiple excesses see:

- the [Why do I have to pay my excess? Or multiple excesses](#) fact sheet on our website