

## Step 1. I am experiencing financial hardship

If you are experiencing financial hardship and you can't afford to pay, you should speak to a Financial Counsellor. To speak to a free Financial Counsellor, call the National Debt Helpline on 1800 007 007. **You are being 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 an 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 other party's insurer offering to pay 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. You will then need to consider whether to file a Defence or a Defence and Cross Claim, but get legal advice first. 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 need help dealing with an insurer, [email](#) or call the Insurance Law Service on 1300 663 464. 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](#).