

Customers Experiencing Vulnerability

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**What does Customers
Experiencing Vulnerability
mean?**

&

**Why is it important to be aware
and what are the support
options?**

Customer's Experiencing Vulnerability Definition

“When a customer’s personal circumstances and characteristics mean they need ***special support, care, or protection*** to ensure they receive the best possible experiences and outcome.”

Vulnerability Profiles

Moments when customers may need special care and protection

	Life Stages	Well Being	Grief or trauma	Domestic Abuse	Financially Vulnerable	Diverse	Environmental
Potential Indicators or cues	Changing jobs	Disability	Losing or supporting a loved one	Domestic abuse	Financial hardship	Culturally diverse	Natural disasters
	New child	Elderly	Losing a home	Family violence	Financial capability & literacy	Linguistically diverse	Geographically isolated
	Relationship concluding	Mental illness	Involved in an accident	Elder abuse	Financial abuse		Digitally excluded
	Big ticket purchase	Physical illness	Post traumatic stress		WINZ beneficiary		
	Retirement	Addiction			Scams		
	Getting married	Connected to gang culture					

Why its important

To support our customers when they need it most

Customers expect more from who they do business with and this is a great way to show care and consideration

Customers feel they are more than just a number

The Financial Markets Authority (FMA) expects financial services firms to have policies and procedures to identify and manage the needs of vulnerable customers, and a commitment to implementing improvements in this area.

Language and Terminology

The language and terminology used is important.

Vulnerability relates to circumstances and not a category of person. It's a state not a trait. Descriptions such as “(clients and customers) ***Customers Experiencing Vulnerability***” should be used at all times instead of “vulnerable individuals”.

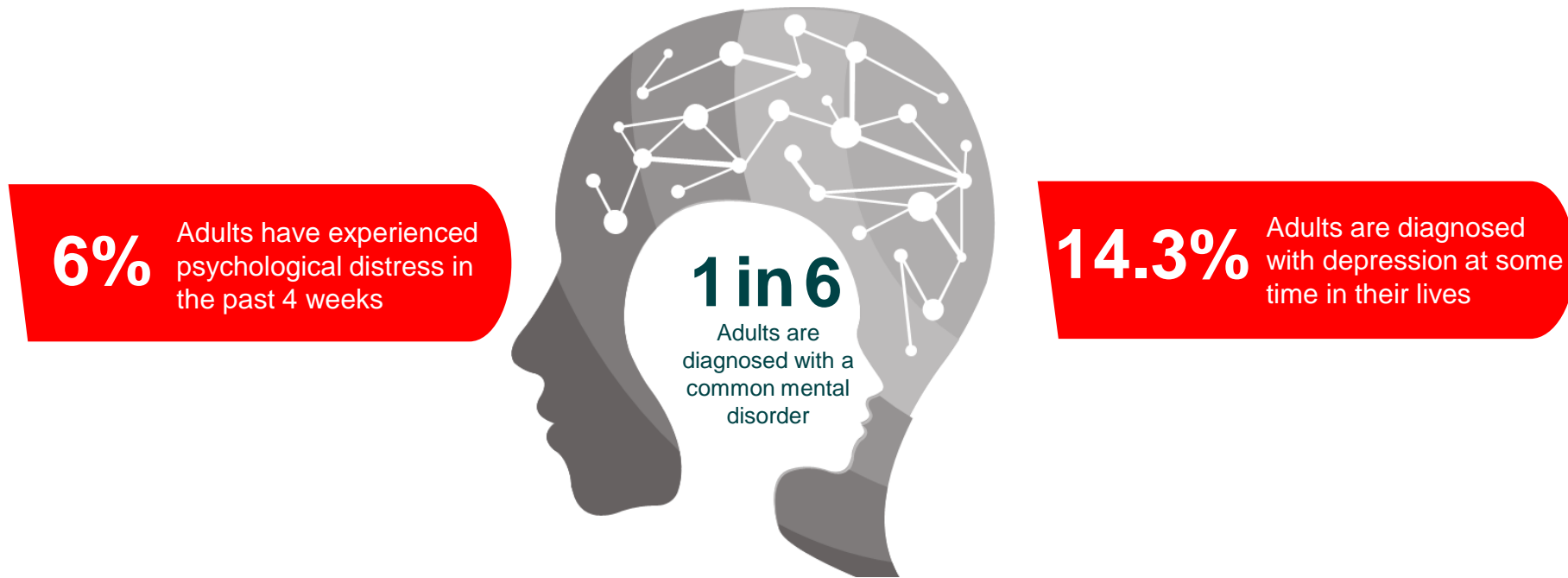
Its important to remember:

- It can be temporary, sporadic or permanent in nature
- A person may have an indicator or clue but not be vulnerable
- There can be varying levels of vulnerability (a spectrum) and indicators can increase the level of vulnerability
- Many people cannot self-diagnose as ‘vulnerable’
- It's a human thing – there's no black and white solution

Vulnerability in New Zealand



Vulnerability in New Zealand



51%
of New Zealanders have less than optimal numeracy skills

1 in 3
are struggling or just getting by financially

Only 2%
of 11-12 year olds and 8% of 16-18 year olds receive adequate financial education

43%
of adults have less than optimal literacy skills

87,000+
New Zealanders are unable to have an everyday conversation in English

Vulnerability in New Zealand



24% of the NZ Population were identified as disabled (1.1 million people)



12.8% of adults care for someone who is ill or has a disability



There are over 23,000 people diagnosed yearly with cancer



In 2020 Police Recorded **463,039** family violence investigations - **One every 4 minutes**



Financial pressure in NZ

New Zealanders financial situation



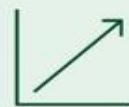
Only **21%** of New Zealanders feel they are in a **secure financial position** while over half feel they are either going backwards or just staying afloat



Over **1 in 10** have experienced a **major worsening in their financial situation** in the past two years due to a range of factors including:



Reduced income or job loss



Increased expenses



Physical or mental health conditions

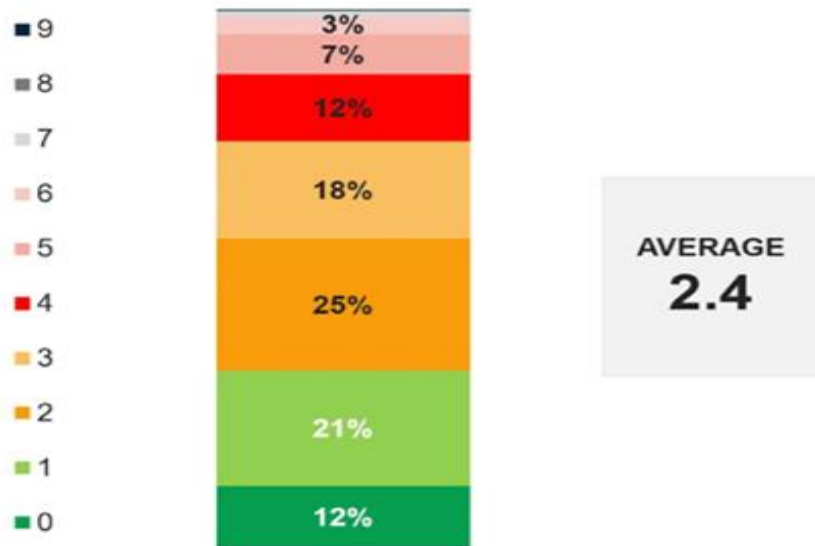
The greatest concern for Kiwis is the ability to keep on top of **inflation (63%)**; over one-third do not think they can afford financial advice and **30% feel nervous about speaking to financial service providers**

Financial pressure in NZ

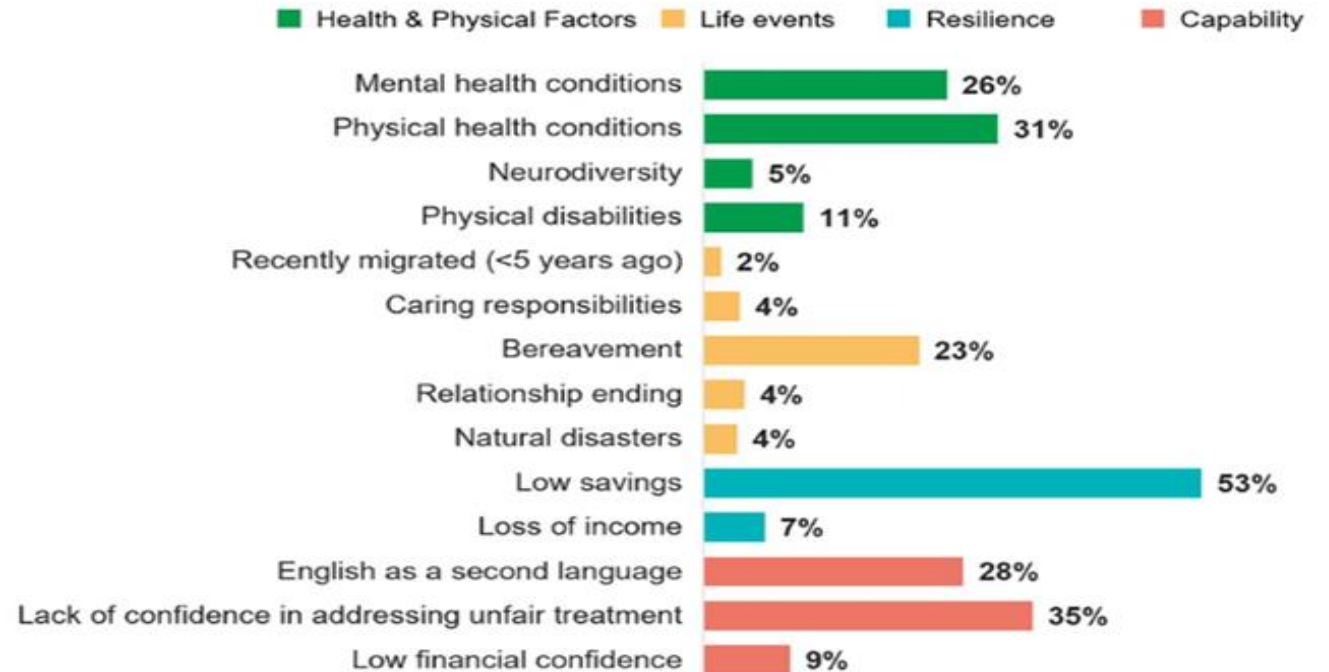
The most common events or risk factors experienced are low savings / confidence, mental/physical health conditions & being a non-native English speaker

VULNERABILITY CHARACTERISTICS

NUMBER OF VULNERABILITY CRITERIA MET



PROPORTION WHO MEET EACH VULNERABILITY RISK FACTOR



The 4 R's – The How



The 4 R's approach to Supporting Customers Experiencing Vulnerability



RECOGNISE

Listen for cues. Use the vulnerability profiles to know what to look for.



REVIEW

Review the customer's concerns and their vulnerability. Where are they on the vulnerability scale?



RESPOND

Respond to the customer considering their individual situation. What might need to be done differently to provide additional support?



REFER

Consider referring to an external support service.

Level 1: Carry on as normal

If the activity being carried out is not affected by the vulnerability then no unusual action should be taken

Level 2: Don't change what you do, change how you do it.

Slow down, show increased empathy, check understanding

Level 3: Change what you do.

Consider additional support and look to refer to external support services if appropriate




Community Support Services



Customers Experiencing Vulnerability Guide - External Support Services Referral Directory

Vulnerability	Provider	Service Description	Hours	Contact
Support for older people		Age Concern New Zealand is a charity dedicated to people over 65, their friends, and whanau and offers expertise and knowledge on available services for older people. Their core areas are: <ul style="list-style-type: none"> • Social connections to combat loneliness and isolation • Elder abuse and neglect prevention • Advocacy for the rights of older people • Health promotion of nutrition, exercise and driver education Age Concern has a nationwide network with offices around New Zealand. Customers can visit ageconcern.org.nz to find the branch nearest to them.	Varies on location	Phone: 0800 652 105 Website: ageconcern.org.nz
Victim of crime, disaster or other crisis		Victim Support helps victims and their families to find strength, hope and safety in the face of grief and trauma by providing: <ul style="list-style-type: none"> • Emotional first aid and practical support at the time of crisis • Financial grants to reimburse costs after some serious crimes • Referral to counselling and other services • Help dealing with grief, loss, trauma and shock • Follow up on well being / safety after crisis and further support • Advocacy with other organisations 	24/7	Phone: 0800 842 846 0800 VICTIM Website: victimsupport.org.nz
Domestic Abuse		Shine's Helpline can support anyone being hurt, abused and/or controlled by someone they have a close relationship with. The Helpline has highly trained professionals who can help with emotional support, information, planning for safety and wellbeing, and referrals to local services. Someone can also get information from the Helpline if they are worried about an adult or a child who might be experiencing domestic abuse.	7 days a week 9am -11pm	Phone: 0508 744 633 Website: 2shine.org.nz
Self Harm, Mental wellbeing		Lifeline provide a safe, effective and confidential service to support the emotional and mental wellbeing of callers. Lifeline provides a caring and professional service to a wide range of people in need, including psychological and emotional distress, financial and work issues, marriage and family problems and with callers who are lonely or depressed.	24/7	Phone: 0800 543 354 or 0800 LIFELINE SMS: Text HELP (4357) Website: lifeline.org.nz

Customers Experiencing Vulnerability - External Support Services Referral Directory

Vulnerability	Provider	Service Description	Hours	Contact
Financial hardship and capability		<p>The MoneyTalks helpline provides any New Zealander struggling with debt or budgeting with a financial mentor who can help:</p> <ul style="list-style-type: none"> • Understand their financial situation • Organise their debt • Plan for their future • Get them in touch with a local budgeting service 	<p>Mon-Fri: 8am - 8pm & Sat: 10am to 2pm</p>	<p>Phone: 0800 345 123</p> <p>SMS: Text 4029</p> <p>Website: moneytalks.co.nz</p>
Financial hardship and capability		<p>Good Shepherd NZ provides fair and affordable loans for essential goods and services, in partnership with BNZ and with support from the Ministry of Social Development. Loans are available up to \$1,500 with no interest, or up to \$5,000 with low, fixed interest, and have no fees or charges (BNZ lending terms and criteria apply). Customers can apply for these loans if they currently qualify for a community services card provided by Work and Income, or live alone on income under \$42,106. Customers can go onto www.goodloans.org.nz for information about how the loans work.</p>	<p>Varies on location</p>	<p>Website: www.goodloans.org.nz Phone: Varies on location. Customers can visit www.goodloans.org.nz to locate their nearest providers contact information Email: goodloans@goodshepherd.org.nz</p>
General Support Legal guidance		<p>Provides free, confidential, independent information and advice to anyone. Helps people know what their rights are and how to access services they need. Uses insights from our clients' experiences to show when policies and laws and/or their implementation are having a negative impact on people.</p>		<p>Website: CAB.org.nz Phone: 0800 367 222</p>

All services current contact details as at February 2023

Recognising and Supporting Customers Experiencing Vulnerability

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Case study one



Recognising Customers who may be Experiencing Vulnerability

This is Suzy. Over the last few months Suzy has been sent reminders that payment is due for her policy. She is now at risk of having her policies cancelled for non-payment, which would mean no protection for her home in the event loss or damage were to occur, not to mention any major catastrophe. This could also affect her mortgage as having insurance cover is a condition of her home loan.

Suzy's son is 10 years old and is on the autism spectrum. He can be uncontrollable at times and sometimes physically abusive toward Suzy. This has been a tough situation for Suzy, especially since her partner left her and her son six months ago because the situation was with her son was unbearable.

Suzy has had to cut her hours at work so she can provide the extra care her son needs. She's doing her best to make ends meet with both money and time. She doesn't have many people in her circle that can help, but she occasionally gets respite care subsidised.



Apply the 4'r's

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Applying the 4 R's

Recognise:

Listen to Suzy's story and how what's she's going through is effecting her ability to pay right now. She's struggling with money and she's caring for her son which sounds challenging and she hasn't got much support.

Review:

Consider the difficulty Suzy is having and what might be an appropriate support offering. Would a referral to external expert support be of help and who would that be? Is she open to a referral?

Respond:

Acknowledge what you have heard or read using empathic phrasing "It sounds like you've got a lot on your plate right now". Consider what you may need to differently. Always ask if the customer has support such as any friends or family who maybe able to support her before offering other support.

Refer:

If appropriate offer the number of a suitable support service. In this case, Lifeline, Money Talks and/or Good Shepherd are all great options and they're experts at what they do.

Case study two



Recognising Customers who may be Experiencing Vulnerability

Gareth calls to make a claim on a ring his husband bought for him for their 5th anniversary. Unfortunately Gareth did not know there are limits on jewellery, or that anything beyond the limit needs to be specified on their contents policy for the amount its valued at – that way he can ensure that at claim time, he’s placed back into the position he was before the loss.

When Gareth finds out about that, he becomes extremely upset as he realises he’s going to get much less than what it’s worth and won’t be able to replace it. In a rage, he begins to yell at you that had he known about this then he would have specified it and how was he supposed to know that?

“Who reads those big books!?” Gareth begins to get tearful over the phone. “Why didn’t you tell us when we bought this policy? My husband will divorce me if he finds out! I feel sick now, I think I am going to vomit. He doesn’t know I have lost it yet and he will be so angry, what am I going to do? Oh my gosh, oh my gosh – I need a minute... He’s lost it at me before the neighbours could hear it from miles away, it will be way worse for this!! I can’t handle this!!.”



Apply the 4'r's

—

Applying the 4 R's

Recognise:

Listen to Gareth's story. He has just received a shock and is understandably upset. Whilst we are not counsellors we can listen, *empathise* and pick up potential clues to offer the right support.

Review:

Gareth has indicated that he is afraid of his partners reaction. Is Gareth safe? What support could you offer. Do you need to take some time to think and call the customer back?

Respond:

Acknowledge what you have heard and your concern for their safety. “This sounds like a tough situation Gareth, some of what you have said has me concerned about your safety, are you ok and do you have anyone around you that can support you?” Ask them if they are safe – there is no harm in doing this and shows you care. Offer any direction or alternatives that you may have thought of during the review stage regarding the loss of the ring. Let the customer know regardless of the outcome of the claim we have external support services that might be helpful and they're completely confidential and free.

Refer:

If appropriate offer the number of a suitable support service. Lifeline, Shine, Victim Support are all services that may be helpful for Gareth.

Things to remember

- Vulnerability is a state not a trait. Avoid labelling customers as vulnerable.
- Language is important. A customer who is experiencing vulnerability vs a vulnerable customer.
- You are not the expert and that's ok. We don't claim to experts in anything else but insurance but we can recognise a customers needs and refer them to people who are experts in counselling, trauma, offering financial tools etc
- Knowing what support tools and services are on offer is crucial and helps with boundaries i.e. avoid enmeshment where you are the insurance expert and not a counsellor.
- Look out for indicators and remember an indicator does not mean the customer is vulnerable, always use empathic phrasing and ask. *“that sounds tough, do you have people around you who can support you?”*
- In our every day conversation, given the statistics touched on in this pack particularly literacy, numeracy and illness, remain empathetic and listen to your customers stories.