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Getting Mia back on the road after insurance company stalls on claim

Mia's* vehicle was stolen and burnt out in 2021. As a single mother caring for four children, this meant she was stranded and unable to get around without relying on help from others. Things went from bad to worse as her insurance company lagged on processing the claim to replace the car, and the ramifications extended to Mia eventually losing her job at a desperate time in her life.

"Everything was all over the place, and all very traumatic for us," Mia said.

Mia had done the right thing and paid for full comprehensive cover for her car, worth more than \$14,000, with an insurance company, a prominent and respected insurer. "It felt like I had put things in place in case the situation I was in arose [getting comprehensive insurance coverage] but the insurance company let me down."

"Having no car made life really difficult, I couldn't do anything," she said.

Under her insurance policy, Mia was given a hire car to transport her family where they needed to go, but this only lasted 21 days. Mia had been of the understanding the policy she had taken out covered her indefinitely for car hire, however she was informed the policy had changed.

"I was calling the insurance company every day about it, and it was only because I mentioned the domestic violence that they eventually extended it," she said. This was after Mia had to give the car back for a two-week period then got it back for a short time before losing it again. "They took it back once the settlement was done, so I didn't have a car until I bought one."

This forced Mia to take the children out of school at a time when this normality in their lives would have helped. "They would have had a bit more stability if I had've been able to keep them in school, but I had no way to get them there," she said. "I tried my best to keep things normal, but I had huge things going on at the time."

No car also meant Mia had to leave her job, to which she hasn't returned. This placed her in the further vulnerable position of having no income to support her children.

When Mia came to Hume Riverina Community Legal Service via a referral from partner service, the Centre Against Violence, for free legal assistance, the matter was under investigation. Mia suspected her ex-partner was behind the vehicle being stolen and destroyed by fire. There had been no progress with the claim and she was feeling overwhelmed with the situation and the treatment she was experiencing.

She had spoken to the investigator multiple times on the phone, and had provided the insurer with phone records, bank statements and other documents as requested. She wanted advice from HRCLS on whether to take part in another video interview as part of the investigation.

HRCLS wrote to the insurer's parent company asking for the interview to be postponed or cancelled altogether. A family violence victim survivor, Mia was dealing with significant

mental health concerns and living in a safe house. A representative from the parent company confirmed that the insurance company would settle without further investigation.

Mia felt as though she was the one under scrutiny, and had no choice in how the matter was resolved, or what supports she may have needed and had requested. This coercive and manipulative conduct was particularly insensitive to Mia.

“I did feel like they didn’t believe me...I know it was a very extreme case of domestic violence, but they were asking all kinds of questions, wanting me to submit my work roster and things like that,” she said. “It felt like I had to prove it wasn’t me who had destroyed the car.”

HRCLS complained and outlined the consequences of the delay. There was also the issue of Mia having to re-live the circumstances over and over again, under the direction of the insurance company investigator. This made her feel as though she was the guilty one. She felt pressured, and feeling vulnerable and isolated. In HRCLS’s opinion, the insurance company had not acted in line with their domestic violence policy. Mia did not feel her safety had been prioritised and had also not been referred to specialist services when she identified the domestic violence she had experienced.

Making matters worse for Mia during this stressful time was the pressure the insurance company put on her to accept a verbal offer to resolve the claim. In the phone call, Mia told the representative she had a lawyer, and the response was the company would like to proceed without lawyers being involved.

For settlement, HRCLS asked for the value of the car to be paid immediately so Mia could buy a desperately needed new one. The cost of the vehicle contents could be worked out later. Compensation was also sought for the conduct which re-traumatised Mia.

After a delayed response, the lawyer called the insurance company who said no compensation would be paid, and Mia would need to show receipts for the contents.

The insurance company was fully aware of Mia’s situation when the matter started and appeared to be dismissive of the enormous stress in her life. But it was only after HRCLS contacted the parent company that things shifted.

After reviewing the complaint, the parent company changed the decision. Mia would get \$2000 compensation and \$1000 for personal belongings without the need to prove ownership. This was on top of the \$14,440 settlement for the stolen vehicle.

“Without the community legal service, I think it would have been prolonged and prolonged, it had already been two months and there was no sign of anything happening,” Mia said. “Raissa was amazing, she really helped me out, was very informative and made me feel like I wasn’t on my own.”