P2P
COVER

Combined Product Disclosure Statement and Financial Services Guide

P2P Cover Limited ACN 667 017 398
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INTRODUCTION

This Combined Product Disclosure Statement (**PDS**) and Financial Services Guide (**FSG**) is an important legal document. It is designed to help You understand what You need to know about P2P Cover Limited ACN 667 017 398 (the **Mutual**) and the protections offered (**Comprehensive Cover or Third Party Property Damage Cover**) so You can make an informed choice about whether or not You wish to join the Mutual as a Member and how to purchase Comprehensive Cover or Third Party Property Damage Cover.

Comprehensive Cover and Third Party Property Damage Cover are financial risk products offered by P2P Cover Management Pty Ltd ACN 665 706 614 AR no. 001307139 (the **Manager**) on behalf of the Mutual. It is issued by the Mutual on the terms contained in the PDS (subject to the operation of the Constitution and the terms and conditions in this PDS).

Before You decide whether to join the Mutual or to purchase Comprehensive Cover or Third Party Property Damage Cover, please read this document and the Constitution carefully.

Part 1 of this document is the PDS. It contains information about Comprehensive Cover and Third Party Property Damage Cover and how to become a Member of the Mutual including details about the rights and entitlements of members of the Mutual and explains the benefits and risks that are relevant to purchasing Comprehensive Cover or Third Party Property Damage Cover. It also provides the terms and conditions upon which the protection is provided subject to the Mutual's discretionary powers to accept or reject a claim in the interests of the Members and in accordance with the Constitution.

Part 2 of this document is the FSG for the Manager and Static Insurance Pty Ltd ACN 662 338 178 AFSL no. 543696 (**Static**), the authorising financial services licensee. It describes the financial services they provide, how they are remunerated, how to make a complaint about the services and their professional indemnity arrangements.

The Mutual may update this document from time to time. When necessary, the Mutual will issue a supplementary or replacement document. Please note information that is not adverse information may be updated on Our website from time to time and may be accessed at www.p2pmutual.com.au. An up-to-date document can be supplied free of charge upon request.

This document contains words that may have special meanings and are capitalised. Please refer to the 'Definitions' section in page 4 for a special meaning of any capitalised words not referred to in their entirety within this document.

DEFINITIONS

Board means the board of directors of the Mutual.

Constitution means the constitution of P2P Cover Limited.

Contributions means the total amount payable for all of Your Vehicles for You to access the discretionary cover provided by P2P Cover Limited.

Covers means Comprehensive Cover and/or Third Party Property Damage Cover. Please refer to section 5 for more information.

Excess means the amount payable by You outlined in Your Certificate of Cover. Please refer to section 9 for more information.

Incident or Event means a single occurrence which You did not intend or expect to happen.

Member means a person for the time being registered as a member of P2P Cover Limited.

Membership means membership of P2P Cover Limited.

Mutual means P2P Cover Limited.

Period of Cover means when Your Membership starts to when it ends. This will be noted on Your Certificate of Cover.

Total Loss means Your Vehicle is a total loss and We decide it is uneconomical, impractical or unsafe to repair.

We, Us and Our means P2P Cover Limited Pty Ltd ACN 165 604 731.

Vehicle means Your motor vehicle and any meter, two-way radio, computer dispatch equipment, EFTPOS equipment, video surveillance equipment and hoist equipment in wheelchair accessible vehicles. It does not include any mobile phones, cash and personal effects, tools or sports goods nor any non-standard items such as headlight and bonnet protectors. This does not include taxis in New South Wales, Australia.

You and Your means the person, entity or people shown as the covered by Your Membership of P2P Cover Limited.

PART 1: PRODUCT DISCLOSURE STATEMENT

SECTION 1 – INTRODUCTION

This document is an important legal document. This information is provided to help You to make an informed choice about whether or not You wish to join the Mutual as a Member and how to purchase Comprehensive Cover or Third Party Property Damage Cover.

Comprehensive Cover and Third Party Property Damage Cover are financial risk products offered by the Manager on behalf of the Mutual. They are provided by the Mutual on the terms contained in the PDS (subject to the operation of the Constitution).

Please note that any advice given in this document is only general in nature and does not take into account Your objectives, financial situation or needs. You should consider the appropriateness of any advice provided, having regard to Your objectives, financial situation and needs.

SECTION 2 – THE MUTUAL

1. What is the Mutual?

The Mutual is a company limited by guarantee that has been formed to operate a discretionary mutual fund to provide financial protection for the benefit of people participating in the point-to-point transport and motor vehicle rental industries. Formed by industry veterans, the primary purpose of the Mutual is to strive to provide an affordable risk protection product that provides discretionary cover specifically for point-to-point vehicles and rental vehicles. The Mutual offers discretionary risk protection, including Comprehensive Cover and Third Party Property Damage Cover and associated financial services, to the members of the Mutual (**Members**).

Comprehensive Cover and Third Party Property Damage Cover are financial risk products regulated under the *Corporations Act 2001* (Cth) (**Corporations Act**) and provided as an alternative to insurance – it is known as “discretionary risk protection” or “protection”. The Mutual offers Comprehensive Cover or Third Party Property Damage Cover only to its Members. Therefore, only Members can make a claim for discretionary cover benefits.

2. Who is involved?

The Manager is an authorised representative of Static (AFSL no. 543696). The Manager will offer Membership. More information about the Manager is contained in the FSG (Part 2 of this document).

The Manager is your first point of contact for any enquiries about Membership. The Manager’s contact details are on page 2 of this document.

3. How does it work?

The structure of the Mutual means only Members of Mutual are entitled to access the benefits of Comprehensive Cover or Third Party Property Damage Cover.

The Mutual uses its combined resources of each Member’s Contributions pooled together to fund Comprehensive Cover and Third Party Property Damage Cover and associated management costs. The combined financial resources of the Mutual as collected from all Members' Contributions effectively fund the payment of claims by the Mutual.

4. How is the Mutual managed?

The Board manages the Mutual with the assistance of the Manager which acts as a membership administrator and claims service provider. The Manager will make offers of Membership to participants of the point-to-point transport and motor vehicle rental industries who are seeking Membership of the Mutual.

The Board must abide by the Constitution, which sets out the objectives of the Mutual, its powers as a company limited by guarantee, the rules governing its operations, the eligibility criteria of Members and the conduct of Members' and Directors' meetings. It also contains the power to exercise discretion in response to a Member's claim for Comprehensive Cover or Third Party Property Damage Cover.

5. Why does the Board have discretion to approve claims?

We refer to our benefits as 'protection' to highlight the fact that We offer an alternative to insurance. Comprehensive Cover and Third Party Property Damage Cover are 'discretionary protections' which are a legitimate way in which You can manage Your liability for costs involved with an Incident involving a Vehicle.

To qualify as discretionary protection, it is important for the Board to have the absolute discretion to accept or reject a Member's claim. Otherwise, there is a risk that the product would be considered an insurance product and the Mutual would be required to be authorised under the *Insurance Act 1973* (Cth) (**Insurance Act**) to conduct an insurance business.

By offering Comprehensive Cover or Third Party Property Damage Cover that is discretionary, the Mutual is able to offer its Members a financial product for management of their liability risks for loss and damage without establishing an insurance company.

Discretionary protection is a financial product which is regulated by the Australian Securities and Investments Commission (**ASIC**). ASIC supervises Static as the AFSL holder for the financial product.

The Australian Prudential Regulatory Authority (**APRA**) regulates insurance companies, but not discretionary mutuals such as the Mutual. This means the Mutual is not an insurance company and is therefore not subject to the prudential standards set by APRA or the provisions of the Insurance Act and Comprehensive Cover and Third Party Property Damage Cover are not subject to the *Insurance Contracts Act 1984* (Cth).

Insurance is different to discretionary protection because an insurer must indemnify a policyholder if the claim comes within the policy terms and conditions. Comprehensive Cover and Third Party Property Damage Cover involve the Board deciding whether to exercise its discretion to pay a claim based on its understanding of the Member's claim. The Board's discretion will be exercised fairly and consistently, and with all due consideration to the merits and circumstances of each claim and the terms and conditions of the Comprehensive Cover or Third Party Property Damage Cover set out in this document.

The Board sets guidelines to ensure that they exercise discretion in the interests of the Members and they will consider whether payment should be made in respect of Your claim.

This PDS explains the scope of Comprehensive Cover and Third Party Property Damage Cover and gives Members an indication of the circumstances when the Board is likely to exercise its discretion in favour of the payment of a Member's claim.

6. What are the significant risks?

Comprehensive Cover and Third Party Property Damage Cover are financial products and You should be aware of the following:

a. Comprehensive Cover and Third Party Property Damage Cover are not insurance products

   Discretionary protection is a 'miscellaneous financial risk product'. This means that there is no automatic right of indemnity under Comprehensive Cover or Third Party Property Damage Cover's Protection Wording. Instead, there is an automatic right to have a claim considered and You may ask the Board to exercise their discretion to indemnify You for the loss and damage. The payment of all claims is at the discretion of the Board.

b. Whether there is adequate funding of the Mutual

   If a large number of claims are made in any one year that exceed the amount of Contributions made by Members and set aside to pay claims, there could be a risk that a Comprehensive Cover or Third Party Property Damage Cover claim would not be paid.

   At its discretion, the Board may make a decision not to pay any claims resulting from an Event, or to make a reduced payment, in the interests of all Members. For instance, the Board may exercise its discretion to pay claims on a proportional basis depending on the total amount of Contributions collected from its Members and the number and size of claims, as a way to ensure that all Members with claims caused by a particular Event are treated fairly.

c. A Member could lose their entitlements if they are expelled by the Mutual's Board

   The Mutual is operated for the benefit of all Members. The Board therefore reserves the right to expel Members or deny them access to Comprehensive Cover or Third Party Property Damage Cover in circumstances which are in the best interests of the Members as a whole, or where a Member breaches the terms and conditions of this document.

SECTION 3 – MEMBERSHIP

7. What are the benefits of Membership?

Members of the Mutual have the right to have a claim for discretionary cover benefits considered by the Board and the Board in exercising its sole discretion, will consider a Member's claim under Comprehensive Cover or Third Party Property Damage Cover in accordance with the PDS, the Constitution and the guidelines set by the Board. The Mutual will always be the party paying Your accepted claim for discretionary cover benefits.

The Board sets guidelines to ensure it operates fairly and consistently and in the interests of the Members. The Board also considers the terms of the PDS when determining claims under Comprehensive Cover or Third Party Property Damage Cover.

8. Who can join the Mutual?

The Manager and the Board decide who to admit to Membership. Membership is available on application by participants of the point-to-point transport and motor vehicle rental industries. Membership enquiries can be directed to the Manager using the contact details at the front of this document in page 2.

SECTION 4 – YOUR OBLIGATIONS

9. Your disclosure obligations

By applying for Membership, You agree to tell Us everything You know, or could reasonably be expected to know, that is relevant to our decision to accept Your Membership and provide discretionary risk protection.

This includes matters We specifically ask about when You apply for Membership and any other matters which might affect whether We cover You and on what terms. The information You tell Us can affect:

(a) the amount of Your contribution;
(b) if We will cover You; and
(c) if special conditions will apply to Your Membership.

You do not need to tell Us of anything which reduces the chances of You making a claim for discretionary cover benefits. If You are unsure about whether to disclose information to Us, it is better to tell Us. If You do not tell Us something which You know or should know is relevant, the Board may exercise its discretion to:

(a) not make a payment to You;
(b) cancel the protection; and/or
(c) exercise their rights under the Constitution in relation to Your Membership of the Mutual.

10. Your responsibilities

You must take all reasonable precautions to prevent damage to Your Vehicle. This includes:

(a) keep Your Vehicle well maintained and in a good and roadworthy condition (e.g., replace worn out tyres, replace worn brakes and defective lights, fix paint problems, repair major rust, repair worn upholstery and repair major scratches or dents);
(b) service Your Vehicle and keep records of this in case You need to claim for benefits for mechanical damage resulting from an Incident;
(c) move Your Vehicle away from rising flood waters;
(d) remove keys when no one is in the Vehicle;
(e) lock all doors and windows when Your Vehicle is parked and unattended; and
(f) provide honest and complete information for any claim for discretionary cover benefits, statement or document supplied to Us.

This is not an exhaustive list. If You are uncertain, please contact the Manager. The Board has absolute discretion on the payment of any claim for benefits dependent on the circumstances.

11. Not meeting Your responsibilities

If You do not meet Your responsibilities, it may lead the Board to do either or both of the following:

(a) reduce or refuse to pay Your claim for discretionary cover benefits; and/or
(b) cancel Your protection and/or exercise rights under the Constitution in relation to Your Membership of the Mutual.

12. Special conditions

We may impose special conditions on Your Membership that might exclude, restrict or extend cover for a person or particular matter. For example, We may not be able to cover certain drivers. Any special conditions will be disclosed to You prior to the commencement of Your Membership.

SECTION 5 – DISCRETIONARY RISK PROTECTION

13. What is Comprehensive Cover?

Comprehensive Cover covers Your liability for accidental loss and damage caused by Your Vehicle to other people's property, plus cover for Your Vehicle up to its Market Value.

If Your Vehicle is unsafe to drive as a result of the damage, we will also pay the cost of:

(a) towing (up to a maximum of $650.00) Your Vehicle to a repairer or place of storage nominated by Us; and/or
(b) storage (up to a maximum of three days) of Your Vehicle.

14. What is Third Party Property Damage Cover?

Third Party Property Damage Cover covers only Your liability for accidental loss and damage caused by Your Vehicle to other people's property. **This does not include any loss and damage to Your Vehicle.**

Note: the Covers are subject to exclusions set out in section 8.

In addition to Comprehensive Cover and Third Party Property Damage Cover, the Manager can arrange for Members to obtain personal accident and sickness insurance and public liability insurance from an insurer.

SECTION 6 - FINANCIAL INFORMATION

15. What does Comprehensive Cover or Third Party Property Damage Cover cost?

Contributions are the amount You pay to us for each Period of Cover.

The Manager calculates the amount of the Contribution based on risk factors which are relevant to Members' use of Vehicles that are subject to the discretionary risk protection.

The amount of Your Excess for claims will also have a bearing on the Contribution that You are charged and there are other risk factors that may also be considered including the make and model of the Vehicle.

Your Contribution amount and the Excess will be quoted as a dollar amount when an offer of Membership is made.

16. Are there any tax implications?

Your Contributions have preferential income tax treatment when paid into the Mutual and they may be tax deductible. Contributions will be subject to GST. There is no stamp duty or other insurance taxes (e.g. emergency services levy) payable on the Contributions. The Mutual does not provide any advice on the individual tax treatment for Members of having Membership or the tax treatment of any claims that are paid to Members. Members should seek their own tax advice.

17. Payment of Contributions

Contributions are payable annually in advance. In some circumstances We may, at Our complete discretion, permit alternative methods of payment and alternative frequencies of payment. For example, We may accept monthly payments if you use Contribution funding. Cash payments are not accepted. In addition:

(a) You must pay the Contribution by the due date to ensure that You are able to access the benefits of Membership. If it is not paid by the due date, We will treat Your Membership as if it never existed; and
(b) if You make changes to Your Membership details, it may affect the Contribution You need to pay.

18. Overdue Contributions

If Your payment is overdue, we can do one or all of the following:

(a) Charge interest for late payment(s) and charge reasonable costs.
(b) Cancel Your Membership without notifying you.
(c) Refuse to pay a claim for discretionary cover benefits until the payment of the Contribution is made. Should further costs be incurred on a claim whilst Your Contribution is overdue, We will not be liable for these costs.

19. How Contributions are used

The Contributions paid by Members are used as follows:

(a) To pay accepted claims for discretionary cover benefits.
(b) To pay the costs and expenses to operate the Mutual.

20. Paying claims on a proportional basis

We operate a self-funded proportional mutual paying claims on a first claimed, first paid basis. We use the Contributions from Members and any retained surplus to fund the payment of the claims for Comprehensive Cover or Third Party Property Damage Cover.

If there is an increased number of claims in a financial year and this impacts on the number and size of claims, the Board reserves the right to exercise its discretion to reduce the amount paid in claims proportionally to ensure that that all affected Members are paid a proportion of their claim. Decisions about a proportional reduction to claims payments will be made by the Board.

The Board reserves the right to decide the order of claims payments and the proportion. The Mutual is not an insurance company and is not required to maintain the same financial solvency levels that an insurance company does, nor is it regulated under the Insurance Act or supervised by APRA.

21. What happens to any surplus?

At the end of the financial year, there may be a ‘surplus’ of funds held by Us – this is the amount that We retain and have not paid out in claims to Members.

The Mutual may in its discretion apply a surplus from a previous financial year to assist in the capability of the Mutual to fund claim payments in future, reduce Contributions for Members, provide increased protection to Members, or for any other use approved by the Board on the grounds that it is considered beneficial to Members.

Unlike other public companies, Members are not entitled to receive surplus funds on voluntary winding up or after the closure of the Period of Cover in order to preserve the tax treatment.

22. Estimating future payments

The Mutual will calculate the total amount of Contributions reasonably required to ensure that it will have appropriate financial resources to discharge future liabilities and make future payments to Members with Comprehensive Cover or Third Party Property Damage Cover.

The Mutual will manage these future liabilities and payments through its risk assessment process.

23. Other fees and charges

As the Mutual is a company limited by guarantee, on the winding up of the Mutual You may be required to pay an amount not exceeding $1.00 if the Mutual is wound up while You are a Member, or within 12 months after You stop being a Member.

SECTION 7 – CLAIMS

24. Making a claim for discretionary cover benefits

As a Member, You will have an automatic right to have Your claim for discretionary cover benefits considered by the Board.

The Manager will support the Board to process claims and deal with recoveries. The Manager makes recommendations to the Board on whether or not to accept a claim and the amount to be paid. At its discretion, the Mutual may elect to take over the management or defence of any claim or recovery action on Your behalf.

The Board’s discretion to refuse or reduce a claim is absolute. If the Board exercises its discretion not to pay the claim, or to pay only part of the claim, the Manager shall advise You within 30 days of the Board making its decision on Your claim.

If You wish to make a claim for discretionary cover benefits, You must report all Incidents (which give rise to a claim) to Us in writing by sending an email to claims@p2pmutual.com.au. **This must be done no later than 30 days of the Incident occurring**. This includes any Incident where Your Vehicle has no damage but You may be held responsible for the Incident. If You are unsure, it is better to report the Incident to Us anyway.

Please note We do not accept verbal Incident reports.

Failure to report Incidents may result in increased Excesses in the event that any claim for discretionary cover benefits is accepted. Please refer to section 9 for more information.

25. How to establish Your loss and damage

(a) Establish an Incident took place

When making a claim for discretionary cover benefits You must be able to prove that an Incident covered by Your Membership took place. If You do not do this, We will not be able to consider Your claim.

We may obtain the following from the police:

(i) confirmation that You reported the Incident;
(ii) details of any investigations they undertook; and
(iii) any other relevant information.

We may obtain the following information from the taxi booking company or ridesharing organisation:

(iv) GPS location of Your Vehicle at the time of the Incident;
(v) driver details of the person in charge of Your Vehicle; and
(vi) any other relevant information.

You must give Us authority to access these records, if We ask.

(b) Describe Your loss and damage

It is Your responsibility to complete the claim form.

You must also give Us accurate and full details of the loss and damage and give us proof of value and ownership, if We ask.

Proof includes documents such as registration papers, sales receipts, service records, valuations, warranties or log books for Your Vehicle. If You are unable to reasonably substantiate Your claim for discretionary cover benefits, We may reduce or refuse Your claim for benefits.

26. What You must do if an Incident occurs

Step 1 Make sure everyone is safe. For emergencies, call 000.

Step 2 Try to prevent further loss or damage.

You must do everything You reasonably can to limit and prevent further loss or damage (e.g., move your Vehicle off the road and put on Your hazard lights).

Step 3 Report the Incident to the authorities.

If someone is injured or has stolen, attempted to steal or maliciously damaged Your Vehicle, call the police immediately and record the time, date, report number and the name of the reporting officer.

Step 4 Do not admit liability or responsibility to anyone.

Step 5 Collect details of all drivers, passengers and witnesses.

You will need these when You complete Your claim form. Make sure You have their full names, addresses and contact numbers. You will need the other driver's licence number and expiry date. You are required to produce Your licence to the other party and You need to sight their driver licence also. If another vehicle is involved, record its registration number, the make, model, colour and year of the other vehicle. Obtain from the driver of the other vehicle their insurance cover details (insurance company and policy number, if available). Do not admit fault to anyone.

Step 6 Note all the damage caused by the Incident, both to Your Vehicle and the other vehicle.

Take photos of the damage if possible and note any pre-existing damage to the other vehicle(s).

27. What You must not do if an Incident occurs

(a) Do not admit liability or responsibility to anyone to pay for any damage unless We agree.
(b) Do not negotiate or promise payment.
(c) Do not authorise any repairs to Your Vehicle or the other party's vehicle.
(d) Do not get rid of any damaged parts from Your Vehicle or Your property without Our consent.
(e) Do not accept payment from someone who admits fault for loss or damage to Your Vehicle. Please refer them to us.

28. If You do not comply

If You do not comply with "What You must do if an Incident occurs" and "What You must not do if an Incident occurs", We may:

(a) decide not to exercise Our discretion to pay Your claim for discretionary cover benefits;
(b) recover costs We have incurred in relation to Your claim from You by, amongst other things, commencing proceedings against You; and/or
(c) cancel Your Membership.

29. If you have caused loss and damage to other people's property

You must tell Us about any Incident that has caused damage to other people's property, even if there is no damage to Your Vehicle. You must also inform Us immediately if You receive a letter of demand or any other notice. This must be in writing to claims@p2pmutual.com.au and a copy of the letter or notice must be provided. If You fail to do so and legal proceedings are subsequently commenced or any other adverse action is taken, We will not be liable for the further costs arising out of, or in connection with those legal proceedings or any other adverse action, even if Your claim for discretionary cover benefits is accepted by Us.

30. If someone else has caused loss and damage to Your Vehicle

You must not start any legal proceedings against the person or entity who caused the loss, damage or liability without first obtaining Our written consent. We will only participate in such legal proceedings at Our sole discretion. The terms of Our participation will also be at Our sole discretion.

31. Processing claims

In order for Us to process Your claim for discretionary cover benefits, You must provide all reasonable assistance to Us, including but not limited to doing the following:

(a) Talk to or meet with Us and any experts We choose, such as an assessor, investigator, repairer and/or solicitor;
(b) Assist Us in handling Your claim for discretionary cover benefits. This can include agreeing to be interviewed and/or providing relevant documents We ask for (e.g. proof of ownership) and/or completing any forms that We may require;
(c) Either drive (if it is safe to do so) or let Us move Your Vehicle to a repairer chosen by Us, or another location nominated or agreed to by Us, so We can assess the damage and progress Your claim for discretionary cover benefits;
(d) Allow Us to recover, salvage or take possession of Your Vehicle;
(e) If Your Vehicle is subject to finance and/or is held as security by a third party financier, give Us the full contact details for the financier and discharge the security over the Vehicle;
(f) Give Us authority to access any MT data, GPS data, police reports or police investigations;
(g) Sign and/or procure the relevant driver of the Vehicle to sign any necessary instrument or document to grant Us the right to take legal action in Your name or in the name of the driver of Your Vehicle to recover money from the person or entity who caused the loss, damage or liability;
(h) Sign and/or procure the relevant driver of the Vehicle to sign any necessary instrument or document to grant Us the right to defend any legal action against You or the driver of the Vehicle which arises as a result of the subject of the claim for discretionary cover benefits; and
(i) Attend court to give evidence if We ask You to, or supply evidence or provide documents to support an ongoing court matter. This applies to both the Member and the driver of Your Vehicle at the time of the accident. Members are to ensure the drivers appear before the courts when required atOour request and supply a copy of the Bailment Agreement or Rental Agreement.

If You fail to provide us with reasonable assistance, We may:

(j) decide not to exercise Our discretion to pay Your claim for discretionary cover benefits;
(k) recover costs We have incurred in relation to Your claim from You by, amongst other things, commencing proceedings against You; and/or
(l) cancel Your Membership.

Note: in this section 'You' means You and, if You were not driving Your Vehicle, the driver of Your Vehicle.

32. We choose how Your claim for discretionary cover benefits is settled

The Board has absolute discretion as to how it decides if and when it will settle a claim and how much will be awarded.

If We agree to pay a claim for discretionary cover benefits for loss, theft or damage to Your Vehicle, We have absolute discretion to decide if We will:

(a) repair the damage; or
(b) replace the damaged parts of your Vehicle; or
(c) settle your claim for benefits as a Total Loss.

33. If Your Vehicle is damaged

(a) We will choose the repairer

We will manage the repair process through one of Our preferred repairers as follows:

(i) We will choose the repairer;
(ii) We will authorise repairs;
(iii) You will be kept informed of the progress of the repairs; and
(iv) You will be advised when Your Vehicle is ready for collection.

We reserve the right to choose and change the repairer at any given time at Our discretion. For the sake of clarity, if We pay the towing costs to transport Your Vehicle to a repairer chosen by You then We still reserve the right to choose a different repairer. If We choose to send Your Vehicle to a different repairer, We will pay for the towing costs to move Your Vehicle to the other repairer if it is not drivable.

(b) If We do not authorise repairs

If We do not authorise repairs, We will pay You the amount We deem it would have cost Us to repair Your Vehicle. In determining this amount, We will take into consideration a quote from a repairer We choose or any such amount as determined by an assessor We choose. The amount that We will pay remains at Our complete discretion, and may be the amount quoted by the repairer, the amount determined by the assessor or any other amount We consider is appropriate in the circumstances of Your claim.

Any assessment report We obtain from an assessor for the purpose of determining the amount We will pay to you where We do not authorise repairs is for Our internal use only, to assist with Our decision-making and remains Our property. We do not have to share or disclose the content of this document with You.

(c) If Your Vehicle is not safe to drive

You must arrange to move Your Vehicle to a repairer chosen by us, or to another location nominated by Us.

(d) If Your Vehicle is safe to drive

We will arrange a time with You to take Your Vehicle to a repairer chosen by Us, or to another location nominated by Us.

(e) Contribution to repairs

You might have to contribute to the cost of repairing tyres, engines, accessories, modifications, paintwork, bodywork, radiators, batteries or interior trims affected by neglect, wear and tear, weathering, rust, mould, mildew or corrosion. We will determine how much You pay depending on how worn these items were when the damage happened.

If You do not agree to pay these amounts, We will pay You the amount determined by Us to be the cost of repairs less any contribution charges.

(f) If Your Vehicle is a Total Loss

Your Vehicle becomes a Total Loss when we decide it is uneconomical, impractical or unsafe to repair in which case We will pay You the depreciated value less any deductions that apply.

If We choose to settle Your claim for discretionary cover benefits as a Total Loss, We will deduct any unpaid Excess or unpaid Contribution.

If We choose to settle Your claim for discretionary cover benefits as a Total Loss and the Vehicle is subject to a loan and/or is held as security by a third party financier, We will either:

(i) pay all or part of the settlement amount to the financier as is necessary for the financier to discharge its security interest over the Vehicle and allow us to receive title and possession of the Vehicle salvage. Following which, we will then pay the balance of the settlement amount, if any, to You; or
(ii) require You to discharge the security interest over the Vehicle prior to any settlement amount, if any, being paid to You.

If the settlement amount will not cover the outstanding amount owed to the financier, We will pay all of the settlement amount to the financier and You must pay the balance owing to the financier to ensure they discharge their security interest over the Vehicle so that We may receive title and possession of the Vehicle salvage. If You are unable or unwilling to pay the balance owing, We may decide to exercise our discretion not to pay You any benefits under Your claim.

Furthermore, if We process, settle or pay Your claim and the security over the Vehicle is not discharged, You will be required to pay Us all costs that We have incurred in processing, settling or paying Your claim.

Note: You will be required to execute a release prior to any settlement amount being paid to You.

(g) We own the Vehicle salvage

When we pay You for the Total Loss, Your Vehicle salvage becomes Our property.

(h) Your Membership after We pay Your claim for discretionary cover benefits

(i) If We pay You the cost of repairs, Your Membership continues.
(ii) If Your Vehicle is a Total Loss, then Your Membership ceases. There is no refund of the unused Contribution.

(i) Our right to recover discretionary cover benefits We pay from those responsible

After We pay a claim for discretionary cover benefits under this Membership, You irrevocably appoint Us (and/or our nominated debt recovery agent and/or legal representative) as Your agent and representative to claim and recover the money We have paid from the person or entity who caused the loss, damage or liability. You also authorise Us to claim and recover any money We have not paid such as loss of income.

You give Us absolute discretion to take whatever means necessary to claim and recover the money We have paid and the money We have not paid (such as loss of income). This may include the commencement of legal proceedings, in the relevant court or tribunal, in Your name.

You give Us absolute discretion to act on Your behalf to defend any legal proceedings.

You give Us absolute discretion to give instructions, on Your behalf, to legal representatives to carry-on and settle the legal proceedings as We deem fit.

You authorise Us to receive, retain and apply all such recovered monies towards the money We have paid, and the costs incurred in recovering them. In some instances, We may recover more than the money We have paid in which case You authorise Us to retain the excess monies.

You must give Us all the help We need to do this, including procuring the necessary subrogation rights from other drivers of the Vehicle.

If We recover money that belongs to You and was not part of the claim for benefits We paid, We may pay this to You at Our discretion.

Note: in this section 'You' means You and, if You were not driving Your Vehicle, the driver of Your Vehicle.

34. How the Goods and Services Tax (GST) affects Your Membership

If Your Vehicle is a Total Loss or We make a cash settlement to You for repairs, We will deduct the GST from any payment We make.

Any payment We make to settle Your claim will be considered to be made in full even if the amount We pay has been reduced as described above.

SECTION 8 – EXCLUSIONS

35. General exclusions

We will not consider claims under Your Membership for damage, loss, cost or legal liability that is caused by or arises from or involves:

(a) Unlicensed Drivers

We will not consider claims where the driver of the Vehicle did not hold an open, full, current State or Territory driver licence. For the sake of clarity, a suspended licence is not current. We will also not consider claims where the driver of the Vehicle holds an international licence.

(b) Overdue Contribution

If a Contribution payment is overdue, we can refuse to consider a claim for discretionary cover benefits.

(c) Agreements you enter into

Any agreement or contract you, or someone you authorised to drive or be in charge of your Vehicle, enter into accepting liability.

(d) Alcohol or drugs

An incident occurring when your Vehicle is being driven by, or is in the charge of, anyone who:

- (i) was under the influence of, or had their judgement affected by any alcohol, drug or medication;
- (ii) had more than the legal limit for alcohol or drugs in their breath, blood, saliva or urine as shown by analysis; or
- (iii) refused to take a test for alcohol, drugs or medication.

(e) Asbestos

Asbestos, asbestos fibres or derivatives of asbestos of any kind.

(f) Biological, chemical, other pollutant or contaminant

- (i) Any actual or threatened biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant.

- (ii) Any looting or rioting following the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant.

- (iii) Any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant.

(g) Confiscation or repossession

Legal confiscation or repossession of your Vehicle or its contents.

(h) Condition of Vehicle

- (i) Any structural, mechanical, electrical or electronic failure or breakdown.

- (ii) Any mould, mildew, wear, tear, rust, corrosion or depreciation.

- (iii) Your Vehicle if it was damaged, unsafe or un-roadworthy at the time of the incident.

(i) Consequential losses or other extra costs

Consequential losses (financial and non-financial loss) or extra costs following an incident covered by your Membership, such as:

- (i) loss of profits, income or wages;

- (ii) medical expenses;

- (iii) the cost of your time (e.g., inconvenience);

- (iv) professional, expert, legal consulting or valuation costs unless you obtained our prior written authority to incur these costs;

- (v) any costs related to stress or anxiety;

(vi) a reduction in your Vehicle’s value (including its trade-in or resale value) after being repaired;

(vii) costs, including the cost of your time, to prove your loss or to help us with your claim for discretionary cover benefits (e.g., telephone calls, postage);

(viii) travel costs;

(ix) cleaning costs; or

(x) any costs not covered by your Membership.

(j) Dangerous goods

Your Vehicle being used to illegally store or transport:

(i) substances that pollute or contaminate;

(ii) dangerous or hazardous goods.

(k) Drivers under 21 years

Your Vehicle when being driven by a person under 21 years of age.

(l) Driving a damaged Vehicle

Additional damage caused to your Vehicle by driving it after it has been damaged in an incident.

(m) Exceeding loading or passenger limits

Your Vehicle when it is:

(i) carrying any load which is not secured according to law, over the legal limit or more than what your Vehicle was designed to carry; or

(ii) carrying more passengers than the Vehicle was designed for, or more than the driver is permitted to carry by law.

(n) Failure to take reasonable precautions

Your, or a person acting with your express or implied consent, failure to take reasonable precautions to prevent loss, damage or legal liability. For example:

(i) If your Vehicle is stolen because you, or a person acting with your express or implied consent, have left the keys in the Vehicle unattended.

(ii) If your Vehicle is stolen because you, or a person acting with your express or implied consent, have left the keys unattended (such as in a letterbox).

(iii) You fall asleep whilst driving your Vehicle.

(o) Theft

Your Vehicle is stolen by a person:

(i) known to you;

(ii) to whom the Vehicle is loaned, hired or leased; and/or

(iii) who has a financial interest over the Vehicle.

(p) Intentional loss or damage

Intentional loss or damage caused by you, or a person acting with your express or implied consent.

(q) Motor sports or similar activities

Your Vehicle being used:

(i) in, or being tested in preparation for, a race, contest, trial, test, hill climb or any motor sport; or

(ii) on a competition racetrack, competition circuit, competition course or competition arena.

(r) Non-standard items

Any vehicle additions that are non-standard including but not limited to headlight and bonnet protectors, towbars, bumper bars, window tinting and non-standard wheels or rims.

(s) Personal property

Any personal property including but not limited to car or mobile phones, cash and personal effects, tools, sports goods.

(t) Radioactivity/nuclear materials

Radioactivity or the use, existence or escape of nuclear fuel, nuclear material or waste; or action of nuclear fission including detonation of any nuclear device or nuclear weapon; or any looting or rioting following these incidents.

(u) Reckless acts

Any intentional or reckless act by you, the driver of the Vehicle or by a person acting with your express or implied consent (such as street racing, burnouts or donuts).

(v) Revolution, war

Revolution, hostilities, war or war like activities or other acts of foreign enemy, military coup; or any looting or rioting following these incidents.

(w) Unlawful purposes

Your Vehicle being used for unlawful purposes.

(x) Incorrect fuel usage

Loss or damage to your Vehicle (including damage to your Vehicle's engine or fuel system) caused by the incorrect type of fuel being used.

(y) Replacement of non-damaged parts

The replacement of non-damaged parts which includes items that are part of a whole set when the loss or damage occurred to only part of that set (such as alloy wheels).

(z) Tyres

Damage to your Vehicle's tyres caused by braking, punctures, road cuts or bursting.

(aa) Intentional damage

We will not consider claims relating to loss or damage which is actually or suspected to be caused intentionally, wilfully or deliberately to your Vehicle.

(bb) Water damage

Any loss or damage to Your Vehicle caused by water:

(i) in a known watercourse or floodway; or

(ii) in areas where tidal movement of water occurs, when You or the driver drive Your Vehicle into one of these areas, and Your Vehicle becomes stranded, and such an event could have been foreseen; and/or

(iii) when You or the driver drive Your Vehicle into water of unknown depth.

However, this exclusion shall not apply if You and the driver demonstrate that all reasonable actions and considerations were taken and implemented to protect Your Vehicle from loss or damage caused by water.

SECTION 9 – EXCESS

36. What is an Excess?

An Excess is the amount you must pay for each incident when you make a claim for discretionary cover benefits. For example, if the rear and front of your Vehicle has been damaged, then you must make two claims for discretionary cover benefits and pay the excesses that apply for each claim for benefits.

37. Amount of the Excess

The total excess you are required to pay is determined by the circumstances of your claim for discretionary cover benefits. You might have to pay more than one type of excess when you claim for benefits.

The amount of the excess that you will be required to pay will be included in your Certificate of Cover. If the driver of your Vehicle was under the age of 25, an additional $1,000 excess on top of the basic excess is payable. Hail or flood claims incur an additional $2,000 excess on top of the basic excess.

In addition, if you:

(a) fail to lodge a claim for discretionary cover benefits within 30 days of the incident date, then the excess you will have to pay is 3 times the amount of excess noted on your Certificate of Cover;
(b) fail to lodge a claim for discretionary cover benefits 6 months to 12 months after the incident date, then the excess you will have to pay is 5 times the amount of excess noted on your Certificate of Cover; and
(c) fail to lodge a claim for discretionary cover benefits more than 12 months after the incident date, then the excess you will have to is 10 times the amount of excess noted on your Certificate of Cover.

38. How to pay your Excess

We will ask you to pay us the Excess, regardless of if you are at fault or not at fault in the accident.

You must pay the Excess in full before we consider any claim for discretionary cover benefits, or provide any discretionary cover benefits under this Membership. We will usually ask for your excess when you first lodge your claim. If we do not accept your claim, then we will return any Excess you have paid. For the sake of clarity, we will not make any payments for discretionary cover benefits under a claim until the Excess is paid in full, including but not limited to, the cost of repairs, legal costs and any associated costs.

We may not cover any legal or other costs that arise because of any delay in paying the Excess.

In the event of a not at fault claim, your Excess may be refunded to you once all costs incurred by us have been recovered from the at fault party, at the discretion of the Board.

SECTION 10 – COMPLAINTS

39. Complaints process

The Board sets guidelines to ensure they exercise discretion fairly and consistently and in the interests of all Members when considering the merits of a claim. The Board also considers the terms of this document when determining claims for discretionary cover benefits.

If You wish to dispute the decision about a claim made by the Mutual, please contact the Manager in the first instance by making a written submission and asking the Board to reconsider its decision.

40. External Dispute Resolution

If You are not satisfied with the decision or if Your complaint remains unresolved after 45 days, You can refer the matter to the Australian Financial Complaints Authority (**AFCA**). AFCA is an independent body provides its service free of charge. Membership of AFCA is held by Static. The decision is not binding on You but on Static.

AFCA is an external complaints resolution scheme approved by ASIC to provide free advice and assistance to consumers to help them in resolving complaints relating to members of the financial services industry. Information about AFCA, and the types of disputes that it can consider, can be found at its website.

AFCA Contact Details

Email: info@afca.org.au
Freecall number: 1800 931 678
Online complaint form: https://ocf.afca.org.au/

SECTION 11 – CHANGES AND CANCELLATIONS

41. Protection Period

Your Comprehensive Cover or Third Party Property Damage Cover will commence and cease on the dates and times shown on Your current Protection Schedule.

42. Changing Your details

You need to advise Us in writing if Your personal details change including Your contact details (such as residential address and telephone number/email address). Your advice will need to be sent by email to admin@p2pmutual.com.au.

43. Cancelling Your Membership

You may cancel Your Membership within 14 days after receiving confirmation of Your Membership. We will refund any amounts You paid to Us for the Membership. Your cancellation request will need to be sent by email to admin@p2pmutual.com.au.

You may otherwise cancel Your Membership at any time in writing by providing 30 days' notice. Any cancellation requests will need to be sent by email to admin@p2pmutual.com.au.

If You cancel Your Membership, You cannot access Comprehensive Cover or Third Party Property Damage Cover unless You join as a P2P Cover Limited Mutual Member again.

PART 2: FINANCIAL SERVICES GUIDE

SECTION 1 – INTRODUCTION

This FSG describes the services that P2P Cover Management Pty Ltd ACN 665 706 614 AR no. 001307139 (the **Manager**) provides and explains the relationship between the Manager and the Mutual. The FSG also explains the relationship the Manager has with the authorising financial services licensee, Static Insurance Pty Ltd ACN 662 338 178 AFSL no. 543696 (**Static**). This FSG also describes the financial services the Manager provides, how they are remunerated, how to make a complaint about their services and their professional indemnity arrangements.

Comprehensive Cover and Third Party Property Damage Cover are discretionary protection risk products provided by the Mutual. Comprehensive Cover and Third Party Property Damage Cover offered by the Mutual is explained in the PDS including the benefits, limitations, significant risks and other terms and conditions. Reading it will help You to decide whether to become a Member of the Mutual and to purchase the protection and whether Comprehensive Cover or Third Party Property Damage Cover will suit Your needs, objectives and financial position.

You should make Your own assessment of the Mutual and read this Combined Product Disclosure Statement and Financial Services Guide before applying to become a Member.

SECTION 2 – OUR SERVICES

The Manager will provide financial services to You when You are offered Membership of the Mutual and when You purchase Comprehensive Cover or Third Party Property Damage Cover. When the Manager offers You Comprehensive Cover or Third Party Property Damage Cover, it does so on behalf of the Mutual. The Manager and the Static have the authority to make offers of protection and to issue the Comprehensive Cover or Third Party Property Damage Cover products.

The Manager may also advise You about the Comprehensive Cover and Third Party Property Damage Cover offered by the Mutual. The Manager can only provide this advice in general terms and cannot advise about Your individual situation.

When providing these financial services, the Manager is acting on behalf of the Mutual and not on Your behalf. The Manager acts as an authorised representative of Static under its AFSL which allows the Manager to provide general advice on and deal in discretionary protection products (as miscellaneous financial products limited to business risk products).

SECTION 3 – HOW THE MANAGER IS PAID

The Manager will be paid a fee for the services it provides to the Mutual. This fee will be calculated depending on a number of factors, including the number, type and size of Members that are serviced by it and other services delivered to and on behalf of the Mutual by it each year.

Static earns remuneration for providing its financial services authorisation to the Manager.

SECTION 4 – OUR PROFESSIONAL INDEMNITY INSURANCE

Static has professional indemnity insurance in place which covers itself and the Manager for any errors or mistakes relating to their services. The insurance also covers the Manager after it ceases to provide services to Static and the Mutual provided the error or mistake occurred during the relevant policy period. This insurance meets the requirements of the *Corporations Act 2001* (Cth).

SECTION 5 – PRIVACY

The Mutual, Manager and Static are fully committed to handling Your personal information in accordance with the *Privacy Act 1988* (Cth) and the Australian Privacy Principles. The Mutual, Manager and Static collect Your personal information directly from You or through other entities listed in the Privacy Policy. The Mutual and Manager do not trade, rent or sell Your information.

SECTION 6 – COMPLAINTS

Making a complaint

The Manager is committed to ensuring its services meet Your expectations. If You wish to complain about its services, please contact the Manager in the first instance. See 'SECTION 7 – CONTACT US' below for instructions to contact us.

The Manager will acknowledge receipt of Your complaint within 24 hours and attempt to resolve it within 30 days of receiving it. Static will also facilitate resolution of Your complaint as the authorising licensee through its internal dispute resolution process.

If You are not satisfied with the outcome of the internal review of Your complaint, You can contact AFCA.

AFCA is an external complaints resolution scheme approved by ASIC to provide free advice and assistance to consumers to help them in resolving complaints relating to members of the financial services industry. Information about AFCA, and the types of disputes that it can consider, can be found at its website. Membership of AFCA is held by Static. An AFCA decision is not binding on You but on Static.

AFCA Contact Details

Website: www.afca.org.au
Email: info@afca.org.au
Freecall number: 1800 931 678
In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

SECTION 7 – CONTACT US

For further information, please contact the Manager. Our contact details are provided in page 2.

The distribution of this FSG has been authorised by Static.