



# OUR GUARD

## **Mortgage Impairment Protection**

Product Disclosure Statement v2025\_08



**OUR GUARD**

## FOR MORE INFORMATION, CONTACT THE MANAGER OR OUR GUARD MUTUAL:

### General/Membership/Protection

Telephone: 02 8310 7294

Email: [hello@ourguard.com.au](mailto:hello@ourguard.com.au)

### Claims

Telephone: 02 8310 7307

Email: [claims@ourguard.com.au](mailto:claims@ourguard.com.au)

### Complaints

Telephone: 02 8310 7294

Email: [disputes@ourguard.com.au](mailto:disputes@ourguard.com.au)

### Privacy

Telephone: 02 8310 7294

Email: [privacy@ourguard.com.au](mailto:privacy@ourguard.com.au)

### Mutual – Our Guard Mutual Limited

Telephone: +61 2 8310 7294

(Mon to Fri except public holidays  
from 8.30am to 5.30pm, AEST)

Email: [hello@ourguard.com.au](mailto:hello@ourguard.com.au)

Post: PO Box 21, Buddina, QLD, 4575

Website: [www.ourguard.com.au](http://www.ourguard.com.au)

### AFS Licensee – Picnic Licensing Pty Ltd

Telephone: 02 8310 6981

Email: [afsl@picniclabs.io](mailto:afsl@picniclabs.io)

# INTRODUCTION

## ABOUT THIS DOCUMENT

This Product Disclosure Statement (**PDS**) is an important legal document. It is designed to help you understand what you need to know about Our Guard Mutual Limited (**Mutual**) and the Mortgage Impairment Protection (**Protection**) so you can make an informed choice about whether or not you wish to join the Mutual as a Member and how to apply for Protection.

The Mutual is the product issuer of the Protection. It is provided by the Mutual on the terms contained in the PDS (subject to the operation of the Constitution of the Mutual). The Mutual is managed by Picnic Services Pty Ltd (**Manager**) ACN: 638 145 418. The Protection is distributed by Picnic Distribution Pty Ltd ACN 652 925 294 (**Distributor**).

Before you decide whether to join the Mutual or to hold Protection, please read this PDS, the [Financial Services Guide](#)<sup>1</sup> and the [Constitution](#)<sup>2</sup> carefully.

- Part 1 of this document contains information about the Mutual, the Protection and how to become a Member of the Mutual including details about the rights and entitlements

of Members and explains the benefits and risks that are relevant to purchasing Protection.

- Part 2 of this document is the Mortgage Impairment Protection Wording. It contains the terms and conditions on which Protection is provided by the Mutual including the benefits, exclusions, conditions and other details about accessing the Protection including how to make a claim.

You will be given the opportunity to purchase Protection when you join as a Member of the Mutual. At that time, you will be given a PDS Quotation which will provide details of the Protection provided and the amount charged for that Protection (referred to as your **Contribution**).

A Schedule of Protection will be issued to you when you purchase Protection and this forms part of the terms and conditions of the Protection. See Part 2 of this document for further details.

The Mutual may update some of the information in the PDS from time to time without needing to notify you (but only if it is not materially adverse information). You can obtain a copy of any updated information by contacting the Manager or visiting [this page](#)<sup>3</sup> at the Mutual website. A free paper or electronic copy of any updated information will be made available to you on request, at no charge. When necessary, the Mutual will issue a supplementary or replacement document.

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<sup>1</sup> <https://www.ourguard.com.au/corporate-documents>

<sup>2</sup> <https://www.ourguard.com.au/corporate-documents>

<sup>3</sup> <https://www.ourguard.com.au/corporate-documents>



This document contains words that may have special meaning. Such words are characterised in Title Case. Their meaning for the purpose of this document is described in the [GLOSSARY](#).

For your quick reference, there are words in this document that are linked to other parts of the document or another document. Where a link exists, the word with the link will be shown in a different colour with an underline.

## ABOUT THE MUTUAL

### What is Our Guard Mutual?

Our Guard Mutual is a non-profit company limited by guarantee that has been formed to operate a discretionary mutual fund to provide financial protection for the benefit of customer-owned financial institutions and aligned entities who are Members of the Mutual. The Mutual offers discretionary risk protection, including the Mortgage Impairment Protection solely to its Members. Claims on the Mutual may only be made by Members.

Mortgage Impairment Protection is one of the financial risk products offered by the Mutual. It is a financial risk product regulated under the Corporations Act 2001 (Cth) and it is not insurance – it is known as “discretionary risk protection” or “protection”.

As a discretionary mutual, the Mutual can use the combined purchasing power of its Members to spread the cost of risk and to provide additional benefits within the discretionary risk protection in areas where traditional insurers will not provide cover.

The Mutual and the Manager have worked closely with customer-owned financial institutions to design Mortgage Impairment Protection, a product that is tailored to the needs of the members of the community of customer-owned financial institutions.

### Who is involved?

The Manager (AR No: 1300248) is an authorised representative of Picnic Licensing Pty Ltd (**Picnic**) ACN: 647 642 117 (AFSL No: 532540). The Manager acts as the manager for the Mutual. The Distributor is an authorised representative (AR No: 1300250) of Picnic and offers Protection on behalf of the Mutual. More information about the Manager and the Distributor is contained in the [Financial Services Guide](#)<sup>4</sup>.

The Manager is your first point of contact for any enquiries about membership and Protection. The Manager’s contact details are at the front of this document.

### How is Our Guard Mutual managed?

The Board manages the Mutual with the assistance of the Manager who acts as a financial services and claims service provider, manager and membership administrator. The Distributor will make

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<sup>4</sup> <https://www.ourguard.com.au/corporate-documents>



offers of Protection to eligible property owners who wish to participate and become a Member.

The Board must abide by the Constitution of the Mutual, 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, the election of directors and the conduct of Members' and directors' meetings.

It also contains the power to exercise discretion in response to a Member's claim for Protection should a Member suffer loss or damage of the type described in the Protection Wording (see Part 2 of this PDS for full details of the terms of Protection).

Each Member of the Mutual is entitled to appoint a representative to vote at a general meeting of members. One or more of the directors are also representatives of the Members.

The Board also has the discretion to appoint other non-executive and independent directors, allowing them to participate in the decision-making process and represent the Members.

Members have the right to have their claim(s) for Protection considered by the Board. The Board has the absolute discretion to accept or refuse a Member's claim for Protection. Discretionary Protection is described in more detail on page 10.

## Privacy

At Our Guard Mutual, your privacy is extremely important to us. We are committed to protecting the privacy of your personal information and to handling your personal information in a responsible manner. For full information and our Privacy Policy please visit [Our Guard Privacy Policy](https://www.ourguard.com.au/privacy-policy)<sup>5</sup>.

## HOW DOES IT WORK?

### Member-based community

The structure of the Mutual means it is owned by its Members and you will be invited to join as a Member when you are offered Protection. Only Members of the Mutual are entitled to access the benefits of the Protection when they pay their Contribution.

The Mutual uses the Contributions of all Members to fund costs involved in providing the Protection and other operating costs. The Contributions collected from all Members effectively fund the payment of Protection claims by the Mutual.

The advantage of the Mutual's structure is that it provides a cost effective way for Members to manage their financial risk. By managing the risk pool in this manner along with the tax advantages, Contributions can be kept to a minimum.

As a mutual, where Members are part of a community, it is incumbent on Members to engage as a community. The power of

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<sup>5</sup> <https://www.ourguard.com.au/privacy-policy>



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the community is that it creates scale, as a whole, allowing the variable loss experience of individual Members of the community to be pooled. Member ownership of the Mutual allows savings from that pooling to be retained by the Mutual for the benefit of the Members.

### **Resilient Community**

The success of the community is dependent on the Members. This includes how they manage their own risks and their behaviour relative to generally accepted norms. Failure of a Member to exhibit these desirable attributes may result in the cancellation of a Member's membership and renewal not being offered on their Protection.

### **Strong Member Attributes**

Typical Members of the Mutual are committed to proactive risk management and will have the following attributes:

- they provide information truthfully and accurately in respect to their Protection and claims;
- they fully cooperate with all reasonable requests in the course of processing their claim;
- they do not expect their product to protect them in situations that they can prevent;
- they follow the Property Insurance Requirements; and
- they take due precaution to minimise the chance of a Loss or further loss.

If all Members adopt a mindful and respectful attitude to risk management then the Mutual will thrive and the pooled Contributions can be used widely to protect Members when they need it most.

When considering a Member's claim, the Mutual will expect that these attributes have been demonstrated by the Member. Where a Member has not demonstrated these attributes, the Mutual may exercise its discretion to accept the Member's claim either in part or not at all.

## GLOSSARY

Words with a special meaning:

**AFSL:** Australian Financial Services Licence

**APRA:** Australian Prudential Regulation Authority

**ASIC:** Australian Securities & Investments Commission

**Board:** The Board of directors of Our Guard Mutual Limited.

**Constitution:** The current rules governing the relationship between the Mutual, its Members and Mutual Capital Instrument (**MCI**) holders. A copy can be obtained from the Manager on request, at no charge, or viewed at [this page](#)<sup>6</sup> on the Mutual website.

**Contribution:** The amount we will charge you for the Protection for the duration of the Protection Period.

**Damage/Damaged:** Physical damage or destruction.

**Distributor:** Picnic Distribution Pty Ltd, ACN 652 925 294 (AR No 1300250)

**Earthquake:** Ground movement caused by a sudden natural shift of the earth's crust.

**Excess:** The excess that applies to the Protection, as stated in this PDS, your PDS Quotation or on your Schedule of Protection.

**Flood:** The covering of normally dry land by water that has escaped or been released from the normal confines of:

- a lake, river, creek or other natural watercourse (whether or not it has been altered or modified);
- a reservoir, canal or dam;

**GST:** Goods and services tax per the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.

**Insurance Policy:** The insurance contract covering the Mortgaged Property as required in the Property Insurance Requirements.

**Limit(s) of Protection:** The limit(s) that apply to the Protection, as stated in this PDS, your PDS Quotation or on your Schedule of Protection.

**Loan Amount:** The amount you loaned to the borrower, secured by a Mortgage.

**Loss:**

- The unpaid principal of the Loan Amount plus any accrued interest on that amount, not including late charges or penalty interest,

calculated as at the time Damage to the Mortgaged Property is discovered, less:

- any amounts recovered from selling the Mortgaged Property; and
- any other amount payable to you from any other source in reduction of the Loan Amount after the borrower ceases to make the required payments on the Mortgage.

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<sup>6</sup> <https://www.ourguard.com.au/corporate-documents>



**Market Value:** The price that the Mortgaged Property would sell for in a fair, open market between a willing buyer and seller after proper marketing.. If we cannot reach mutual agreement with you on the Market Value, then we may agree with you to refer the matter to a mutually agreed Certified Practising Valuer who is accredited by the Australian Property Institute with the relevant certification. We will pay for the costs of the Certified Practising Valuer.

**Member:** A person, corporation, organisation or entity that has been admitted to membership of the Mutual in accordance with the Constitution and, subject to the Constitution, is entitled to claim under the Protection.

**Mortgage:** A mortgage document or security interest in writing, which is registered or capable of registration with the Land Titles Office or equivalent including any written loan agreement.

**Mortgaged Property:** The real property secured by a Mortgage in relation to the Loan Amount, where you are the mortgagee.

**Our Guard Mutual, the Mutual:** Our Guard Mutual Limited, ACN: 652 207 808.

**PDS Quotation:** The document titled 'Product Disclosure Statement Quotation' issued by the Mutual prior to purchasing the Protection that provides details of the Protection, including a quote for the amount of your Contribution, and which forms part of this PDS.

**Picnic:** Picnic Licensing Pty Ltd, ACN: 647 642 117 (AFSL No: 532540).

**Picnic Services Pty Ltd, the Manager:** Picnic Services Pty Ltd, ACN: 638 145 418 (AR No. 1300248).

**Product Disclosure Statement (PDS):** The document and any Supplementary Product Disclosure Statement we issue for this product.

**Property Insurance Requirements:** Steps that you must follow, including:

- Requiring borrowers for Mortgages over rural or agricultural properties to have insurance cover for fire, lighting, explosion, and aircraft damage policy for the lesser of the Loan Amount or the replacement value of the buildings on the Mortgaged Property.
- Requiring borrowers for Mortgages over residential properties to have home buildings insurance cover for the lesser of the Loan Amount or the replacement value of the buildings on the Mortgaged Property.
- You must be named as mortgagee in the Insurance Policy.
- At the inception of the Mortgage, you must verify that the Insurance Policy exists, is valid and that your interest is named.
- You must record the sum insured, the name of the insurer, the policy number and the expiry date of the Insurance Policy at the inception of the Mortgage.
- You must not change these insurance requirements without our written approval.
- You must issue annual written reminders to borrowers to keep an Insurance Policy in force, except where you arrange the insurance yourself.



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- If you become aware of the likely or actual lapse, termination or cancellation of a borrower's Insurance Policy you must arrange a replacement Insurance Policy within thirty (30) business days.

### **Protected Cause of Loss:**

- Any peril covered by the borrower's Insurance Policy where that policy meets the requirements of the Mortgage, excluding legal liability cover;
- if there is no such Insurance Policy or it does not fulfil the requirements of the Mortgage, then the perils specified in Regulation 19 of the Insurance Contracts Regulations 2017 (Cth), as may be amended from time-to-time and any replacement or successor legislation, excluding legal liability cover; or
- if the borrower's Insurance Policy has lapsed or been cancelled without your consent, then the perils covered in the lapsed or cancelled policy, excluding legal liability cover.

However, Protected Cause of Loss does not include any perils listed in the [Damage Exclusions](#) Section.

**Protection Period:** The duration of your Protection as stated in your Schedule of Protection.

**Protection(s), Mortgage Impairment Protection:** A miscellaneous financial risk product used to protect mortgage impairment risks, issued to a Member in accordance with the Constitution. The Mortgage Impairment Protection is described in this PDS.

**Schedule of Protection:** The current Schedule issued to you by the Mutual which sets out the scope and extent of the Protection including any Special Conditions applying to the Protection(s).

**Special Condition:** An additional term applied specifically to your Protection over and above the terms included in this PDS.

**Subsidence:** The sudden sinking or gradual downward movement of land or the ground's surface, which may be caused by natural processes or by human activities.

**Subsidiary:** Any company which you:

- control or controlled the composition of the board of directors;
- control or controlled more than half of the shareholder or equity voting power;
- hold or held more than half of the issued share capital or equity; or
- exercise effective management control over a joint venture or other entity.

**Tax Invoice:** The invoice issued to you by the Mutual which sets out the amount of your Contribution and any other amounts payable.

**Terrorism:** Any act, preparation in respect of an act, or threat by a person acting alone or with others, in connection with political, ideological, religious, ethnic, or similar aims, and which:

- involves violence;
- damages property;
- aims to create public fear, or a risk to safety or health;



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- aims to resist or influence government; or
- is designed to interfere with or disrupt an electronic system.

**Volcanic Eruption:** The release of molten, hot rock, steam, gas or liquid from a vent or vents in the earth's crust.

**we, us, our:** Our Guard Mutual.

**you, your(s):** A Member who holds a Protection as described in your Schedule of Protection and any Subsidiary of the Member.

# PART 1

## IMPORTANT INFORMATION

### DISCRETIONARY RISK PROTECTION

#### Why does the Board have discretion to approve claims?

By offering Protection that is discretionary and not an insurance product, the Mutual is able to offer its Members a financial product for management of their risks without establishing an insurance company. The Board has the absolute discretion to accept or reject a Member's claim. Discretionary protection is a financial product which is regulated by ASIC. Picnic is also supervised by ASIC, as the holder of the AFSL in relation to offers of this product by the Distributor and the Mutual.

APRA regulates insurance companies, but not discretionary mutuals such as Our Guard Mutual. This means the Mutual is not subject to the prudential standards which apply to insurance companies and are set by APRA or the provisions of the Insurance Act 1973 (Cth). The Protection is not subject to the Insurance Contracts Act 1984 (Cth).

Insurance is different to Protection because an insurer must indemnify a policyholder if the claim comes within the policy terms and conditions. Protection involves the Board deciding whether to exercise its discretion to pay a claim based on its understanding of the Member's claim and its potential impact on the financial position of the Mutual.

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 for the Protection set out in Part 2 of this document. The Board comprises non-executive independent directors as well as representatives for the Members, the Manager, and representatives acting for MCI holders, in accordance with the Corporations Act 2001 (Cth).

The Board sets guidelines to ensure that they exercise discretion in the interests of the Members and they will consider whether your claim falls within the Protection Terms and Conditions when deciding whether you qualify for the payment of your claim.

Notwithstanding that the Protection offered is not insurance, the Board seeks to maintain adequate claims provision, surplus assets, and insurance cover (to protect the Mutual from financial



exposures). The Mutual also abides by governance policies and protocols which are benchmarked to the standard of the generally accepted practices expected of a general insurer as contained in APRA's prudential standards. There is no guarantee from the Federal Government's Financial Claims Scheme in the event of insolvency of the Mutual.

This PDS explains the scope of protection available to Members including the risk management and other behaviours expected of Members and this 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.

### **What are the Significant Risks?**

Protection is a financial product and you should be aware of the following:

- Protection is not an insurance product.

The Protection is a 'miscellaneous financial risk product'. This means that there is no automatic right of indemnity under the terms of the Protection. Instead, there is an automatic right to have a claim considered and the Member may ask the Board to exercise their discretion to indemnify them for the loss. The payment of all claims is at the discretion of the Board.

- Whether there is adequate funding of the Mutual

If the number of claims made in any one year by all Members exceeds the amount of Contributions that the Mutual has set aside

to pay claims, there could be a risk that a Protection claim would not be paid.

To address this risk, the Manager provides the Mutual with professional advice as to the adequacy of the Contributions to meet likely claims liabilities.

- A Member could lose their Protection entitlements if their membership is cancelled

The Mutual is operated for the benefit of all Members. The Board reserves the right to expel Members in circumstances which are in the best interests of the Members as a whole, or where a Member breaches the rules of membership.

## **FINANCIAL INFORMATION**

### **Cost of Protection**

A Contribution is the amount you pay to the Mutual for each Protection Period. Because the Mutual is a not-for-profit entity, there is no 'profit factor' built into the calculation of your Contribution. The Mutual calculates the amount of the Contribution based on key factors which are relevant to your risk. The cost of your Protection depends on factors such as:

- The Limit(s) of Protection. The higher the Limit(s), the higher the Contribution.
- The amount of your Excess. The lower the Excess, the higher the Contribution.



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- The size of your mortgage portfolio. The larger your mortgage portfolio, the higher the Contribution.
- The previous claims experience. The higher the previous claims experience, the higher the Contribution.
- Our expenses of doing business, including payments we make to intermediaries. The higher these expenses, the higher the Contribution.

The amount of your Contribution will be shown in dollars on the PDS Quotation. If you decide to purchase the Protection, this amount will be confirmed in dollars on your Tax Invoice.

### Tax implications

Your Contributions may be tax deductible. Contributions will be subject to GST and GST will be included in your PDS Quotation when we offer the Protection to you.

There are no stamp duty or other insurance taxes (e.g. emergency services levy) payable on the Contribution.

The Mutual does not provide any advice on the individual tax treatment for Members of having membership and Protection or the treatment of any claims that are paid to Members. Members should seek their own advice on tax issues, including the availability of any tax deductions.

### Dealing with surplus

At the end of the financial year, there may be a 'surplus' of funds held by the Mutual – this is the amount that the Mutual retains and has not paid out in claims to Members.

The Mutual may in its discretion reserve these funds for additional and likely claims from Members and/or apply a surplus from a previous financial year to assist claim payments in future years. These funds can also be used by the Mutual to offer other benefits, reduce Contributions for Members, provide increased protection to Members, pay a dividend to MCI holders where appropriate to do so, or for any other use approved by the Board on the grounds that it is considered beneficial to the membership base (e.g. the development of risk management programs) or which is permissible under the Constitution.

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

If the Mutual is wound up, it could use a surplus for the purposes of its objects including in any successor mutual or risk vehicle, to offer other products and services that benefit the Members or by transferring the surplus to other non-profit organisations which provide benefits to the Members.

### Estimating future payments

On the advice of its professional consultants and the Manager, the Mutual will calculate the total amount of Contributions that is reasonably required to ensure that the Mutual will have appropriate financial resources to discharge claims liabilities.

Each year, the Mutual will model its future claims liabilities to Members based on a mathematical model and actuarial advice.



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

## PROTECTION PERIOD

At least 28 days before the end of the current Protection Period, you will be provided with an offer to renew your Protection for another year or you will be notified that the Mutual is unable to renew your Protection.

If we notify you that your Protection will not be renewed, the Protection will cease on the end date and time of the Protection Period shown on your current Schedule of Protection.

If we offer to renew your Protection, the notification document will include an updated Schedule of Protection. The terms of the Protection offered for the next period may be different from those that applied in the current period.

Any adjustments to your Protection will be clearly communicated and may include the amount of your Contribution, Excess, Limit, and Special Conditions. We may also issue a new PDS or update this PDS if the Protection offered changes substantially.

## CANCELLING PROTECTION

You may choose to discontinue your Protection at any time. This can be done in a number of ways:

- Email us at [hello@ourguard.com.au](mailto:hello@ourguard.com.au).

- Call us on 02 8310 7294.

### During cooling off period

Where you cancel within 20 days of the commencement of the Protection Period and you have not lodged a claim relating to that period, you will be fully refunded any Contribution that has been collected for that period. This is known as the cooling off period.

### After cooling off period

If you choose to cancel at any other time, a refund will be provided for the period between the cancellation date and the end of the current Protection Period (**cancelled Protection Period**). The amount of the refund will be proportional to the remaining Protection Period.

In certain circumstances the Mutual may cancel a Member's Protection prior to the end of the current Protection Period and a refund may be provided for the cancelled Protection Period. In such circumstances a refund of your Contribution may be made on a pro rata basis. If you have made a claim during the Protection Period and we cancel your Protection, your Contribution may not be refunded.

No refund will be provided where:

- You have lodged a fraudulent claim or grossly misrepresented information about you in the application for protection; or
- You have not paid your Contribution within 14 days of its due date.

## PART 2

# PROTECTION WORDING

Limits apply to this Protection. They are summarised in the LIMIT OF PROTECTION section.

## THE PROTECTION

We may protect you for your Loss after you (or someone on your behalf) sells Mortgaged Property if:

- The borrower has defaulted on the mortgage payments after the Mortgaged Property has been Damaged; and
- The Mortgaged Property was Damaged from a Protected Cause of Loss; and
- You have complied with the Property Insurance Requirements; and
- Loss results from:
  - Refusal or inability by the insurer covering the Mortgaged Property to pay a claim under the Insurance Policy for any reason including fraud or misrepresentation by the borrower; or
  - the borrower failed to take out or maintain an Insurance Policy; or
  - you or your employees make an accidental error or omission in arranging and maintaining a valid

Insurance Policy over the Mortgaged Property, but only where you are responsible for arranging and paying for that policy;

and

- You discover the Loss during the Protection Period or report the Loss to us during the Protection Period.

## LIMIT OF PROTECTION

Your Schedule of Protection specifies the Limit(s) of Liability in respect of any one Loss, and in the aggregate for all Losses during the Protection Period.

## EXCLUSIONS

### Loss Exclusions

The Board will not exercise its discretion to pay claims under this Protection arising in connection with any of the following circumstances:

- Circumstances which you knew, or a reasonable person in your circumstances could be expected to know, prior to the Protection Period, were likely to give rise to a claim under this Protection;
- You not foreclosing on the Mortgaged Property in accordance with the terms of the Mortgage and when it would be reasonable to do so, after the borrower defaulted



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on the Mortgage as a result of Damage arising from a Protected Cause of Loss;

- Your failing to take reasonable steps to recover money owed under:
  - the Mortgage in relation to the Mortgaged Property; or
  - any Insurance Policy;
- You or your employees intentionally not following your operating procedures or authority when preparing, registering or discharging the Mortgage;
- Your failure to establish, monitor, apply or enforce the Property Insurance Requirements;
- Any interest that had not yet fallen due when the Damage happened.;
- Late charges and penalty interest owed by the borrower;
- A defect in title which existed before you advanced the Loan Amount;
- The mortgagor not owning or purchasing the Mortgaged Property or otherwise not having the legal capacity to enter into the Mortgage;
- Loans or mortgages you purchased from another person or entity;
- Any reduction in the Market Value of the Mortgaged Property that occurred prior to Damage from a Protected Cause of Loss;

- A failure to value, or properly and sufficiently value, the Mortgaged Property either prior to or after advancing the Loan Amount;
- A legal obligation or alleged legal obligation to others assumed by you under any written, oral, express or implied contract or agreement;
- Legal fees, costs and expenses, whether related to any legal proceedings or otherwise, in relation to the Mortgaged Property;
- The bankruptcy or insolvency of any insurer;
- Errors or failures to act by any person, other than the borrower, against whom you have a legal right of recovery in respect of the Loss;
- The Mortgaged Property being located outside the Commonwealth of Australia, its territories and protectorates;
- Mortgaged Property that is in a strata title building where a body corporate is responsible for taking out building insurance.
- The Excess.
- Any claim arising from a negligent act or error or failure to act by you, including but not limited to:
  - Advising, inspecting, reporting, or making recommendations in your capacity as an insurance company, mortgagee, mortgage servicing agent, bank or lending institution, financial advisor, consultant, broker, agent or representative; or



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- Performing any claim investigation, adjustment, engineering, inspection, survey or appraisal service.

### Damage Exclusions

Notwithstanding the definition of Protected Cause of Loss, the Board will not exercise its discretion to pay claims under this Protection where Damage to the Mortgaged Property is directly or indirectly caused by, occasioned through or arises from:

- Flood;
- Water from or action by the sea or ocean, tidal wave or high water;
- Hydrostatic pressure, rising damp or seepage.
- Water entering a building through doors, windows or other openings, except for fire or explosion caused by this.
- Damage to in-ground structures caused by water leaking down the sides, against the sides or getting underneath them, except for fire or explosion caused by this.
- Water running, pressing, flowing or seeping against or through retaining walls or from agricultural or overflow pipes, except for fire and explosion caused by this.
- Water escaping slowly over a period of time;
- Mud slide or mudflow;
- Earthquake, erosion, Subsidence, earth movement or collapse, except for fire and explosion caused by this;
- Volcanic Eruption, except for fire caused by this;

- Incorrect siting of a building due to faulty specifications, materials, planning, non-compliance or workmanship.
- Demolitions ordered by government or public, local or statutory authorities due to failure by the borrower or their agents to obtain the necessary permits;
- Faulty materials or faulty workmanship;
- Error or omission in design, plan or specification, or failure of design;
- Wear and tear, rust, corrosion, rising damp, mould, mildew, gradual deterioration, rot, damp, normal upkeep or the borrower's failure to take reasonable steps to maintain the Mortgaged Property.
- The presence or possible presence of chemical or biological pollutants or materials.
- Military power, rebellion, revolution, Terrorism, war or war-like activities, whether war is declared or not.
- Any radioactivity, nuclear fuel, nuclear waste or other nuclear material, nuclear weapon, or any nuclear detonation or explosion.

## CLAIMS

### Making Claims

You must give us notice in writing as soon as reasonably practicable during the Protection Period upon Damage to Mortgaged Property as a result of a Protected Cause of Loss. All of



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the following must have occurred prior to a claim being eligible for consideration:

- a claim is made on an Insurance Policy as a result of a Protected Cause of Loss; and
- after that claim is paid, there is a shortfall from the Loan Amount owed to you; and
- you have commenced recovery proceedings, such as enforcing your Mortgage or another form of security, indemnity or guarantee.

You can report a claim online at our website [www.ourguard.com.au/claims](http://www.ourguard.com.au/claims), by calling us on 02 8310 7307 or emailing us at [claims@ourguard.com.au](mailto:claims@ourguard.com.au).

You must provide us with:

- copies of the following documents in relation to the Mortgaged Property and Mortgage:
  - documents evidencing the Mortgage;
  - title deeds;
  - any contract of sale;
  - the Insurance Policy; and
  - any other security document with respect to the Mortgaged Property;
- access to all other documents and information in your possession or control in relation to the Mortgaged Property that we may reasonably require; and

- documents establishing that there is no valid and collectable Insurance Policy, for assessment of a claim under this Protection.

You must also give us and our investigators or solicitors all information which we may reasonably require and which is reasonably accessible, and assist in the conduct of the investigation or settlement of any claim under this Protection.

As a Member of the Mutual when the Loss occurred, you will have an automatic right to have your claim for Protection considered by the Board.

The Manager will support the Mutual to manage claims and may make recommendations to the Board on whether or not to accept a claim and the amount to be paid.

The Board's discretion to refuse or reduce a claim is absolute. The Board has the power to pay claims that do not fall within the terms and conditions in Part 2 of this document. If the Board exercises its discretion not to pay the claim, or to pay only part of the claim, we shall advise you promptly.

If we make any payment in respect of a claim under this Protection, we shall be permitted to exercise your rights of recovery in relation to such a claim.

### Accepting Claims

In most cases your claim will be accepted by the Mutual when you first make the claim. This acceptance may be subject to the assessment of the Loss.



## OUR GUARD

Where the claim is not able to be immediately accepted, it will be presented for review by the Board, or a committee appointed to represent the Board.

### Settling Claims

We will never pay more than the limits described in the [LIMITS OF PROTECTION](#) section and shown on your PDS Quotation and Schedule of Protection.

### Excess

For each loss, you must first pay the Excess amount listed on your Schedule of Protection. We will only pay for the part of the loss above this Excess.

### Appointing a Representative

If you want to appoint someone to represent you in relation to your claim, then you need to tell us and we need to agree. You can appoint someone to manage your claim for you like an employee

However, you can't appoint someone who has a conflict of interest – for example, someone who supplies goods or services to the Mutual that relate to your claim.

## COMPLAINTS

### Making a Complaint

We are committed to ensuring our products and services meet your expectations and we value feedback on how we are

performing. Our customer care team is the first point of contact and will aim to resolve your complaint. [CONTACT DETAILS](#) are set out on page 2.

We will acknowledge your complaint immediately and we will attempt to resolve your complaint within 15 business days of the date we receive your complaint.

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 the PDS when determining claims for Protection.

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

If you have a complaint about any of the services provided by us or any other person engaged by us, please contact Picnic on the contact details provided on page 2 of this document.

### Escalating a complaint

If you are not satisfied with our decision or if your complaint remains unresolved after 15 business days, you may refer the matter to our Internal Dispute Resolution (**IDR**) team.

Disputes processed by the IDR team will be presented to a Review Committee. The review will be guided by the principles of good faith, equity and merit. If you are still unhappy with the outcome, you can choose to have the matter resolved externally.



**OUR GUARD**

### External Dispute Resolution

If you are not satisfied with the outcome of your complaint or we do not resolve your complaint within 30 calendar days of the date on which we first received your complaint, you can contact the Australian Financial Complaints Authority (**AFCA**). This independent body provides its service free of charge and we will abide by the outcome. The decision is not binding on you.

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 Picnic as the authorising licensee of the Mutual, Manager and Distributor

## AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY (AFCA)

Phone: 1800 931 678

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Post: GPO Box 3, Melbourne VIC 3001.