



MTA Insurance Limited

Equity Insurance

Product Disclosure Statement

This document must be read in conjunction with the Application/Certificate of Insurance for MTA Equity Insurance. Together these documents form the Product Disclosure Statement for MTA Equity Insurance.

This Product Disclosure Statement is effective from 29 July 2014.

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This Equity Insurance is issued by:

MTA Insurance Limited

ABN 35 070 583 701

Australian Financial Services Licence No: 239912

Preparation Date: 23/07/2014

Effective Date: 29/07/2014

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Eight Mile Plains QLD 4113

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Building 23, Garden City Office Park

2404 Logan Road

Eight Mile Plains QLD 4113

What is Equity Insurance and how does it work?

If your comprehensively insured vehicle is written off (declared a total loss) by your insurer as the result of a claim, you may find the payment from your insurer is less than what you owe your credit provider.

Equity Insurance (EI) will assist you in paying any shortfall owing to the credit provider (subject to the terms and conditions in this policy).

There are five levels of cover that you can select from; the details of cover available are on page 2 of this Product Disclosure Statement.

There is also a corresponding level of Replacement Costs cover provided. Replacement Costs allows for an additional amount to be paid to assist you with some of the costs associated with replacing your vehicle (subject to the terms and conditions in this policy).

If you have selected Ultra, A, B or C cover and there is no shortfall owing to the credit provider a No Gap Benefit of \$2,000 is paid.

For further information about Replacement Costs and the No Gap Benefit please refer to pages 2 and 3 of this Product Disclosure Statement.

Example – Bill buys a new car on finance through XYZ Finance Company. He obtains finance for a total of \$20,000 and chooses to take out Equity Insurance ‘A’ Standard Cover. His insurer comprehensively insures his car at market value. One year later, Bill’s car is written off in a traffic accident. His insurer determines the vehicle to be a total loss and makes a total loss payout at the current full market value of \$13,000. As his outstanding balance due on his finance contract is \$16,500, Bill still owes the finance company \$3,500. He submits an Equity Insurance claim to MTA Insurance Limited. If Bill’s claim is accepted, MTA Insurance Limited will pay an amount of \$3,500 to XYZ Finance Company to clear Bill’s finance contract.

Under the policy Bill has cover for Replacement Costs up to a maximum of \$4,000 (see page 3 for information about Replacement Costs). Replacement Costs will reimburse Bill for costs relating to the purchase of his replacement vehicle, such as Registration, Stamp duty, dealer delivery charges, 12 months comprehensive insurance and compulsory third party insurance. To claim these costs Bill needs to provide receipts and payment will be made directly to him or his nominated payee.

Cooling Off Period

You have twenty-one (21) days from the commencement date on the Application/Certificate of Insurance to check this insurance meets your needs.

If you wish, you can cancel your policy during the cooling off period by writing to MTA (please refer to the contents page for contact details). Provided you have not made a claim, a full refund of the premium will be paid to your credit provider.

Information about the cost of the insurance

Equity Insurance is purchased at the time you arrange your finance contract. The cost of the insurance is called the premium. The premium for Equity Insurance is a once only payment that covers the entire term of the finance contract. It

is paid at the start of the finance contract and is usually financed as part of the finance contract. The amount of premium payable is shown on your Application/Certificate of Insurance.

The amount of premium payable includes GST and Stamp Duty and will vary depending on the level of cover you select and the term of your finance contract.

Other costs and fees

Type of cost, fee or charge	Details
Cancellation Fee - <i>Within cooling off period</i>	No cancellation fee is charged. A full refund of the premium paid will be forwarded to your credit provider

	providing no claim has been made.
Cancellation Fee - <i>Outside the cooling off period and during the Period of Insurance</i>	An administration fee of \$66 will be charged. A partial refund of premium will be made in accordance with the Formula Rule of 78 (or more if required by relevant legislation). If the refund is less than the administration fee, no refund will be issued.

Our Agreement With You

Terms and Conditions

The Product Disclosure Statement consists of this document and the Application /Certificate of Insurance which together form the complete policy between you and MTA Insurance Limited.

Information on when the coverage commences and expires is noted on the top of the Application/Certificate of Insurance.

This policy is issued based on information you provided in the Application/Certificate of Insurance.

All benefits relating to Standard Cover shall be paid to the credit provider unless otherwise directed by them. All benefits in relation to Replacement Costs and the No Gap Benefit will be paid directly to you or your nominated payee.

This Product Disclosure Statement has been prepared without taking into account any of your objectives, financial situation or needs. You should therefore consider this Product Disclosure Statement and the appropriateness of the product having regard to your own objectives, financial situation and needs before deciding whether to apply for Equity Insurance. If you decide to apply for Equity Insurance, you should carefully read and keep this Product Disclosure Statement and the Application/Certificate of Insurance with your important papers.

You should also be aware that in certain circumstances Standard Cover and Replacement Costs may not be payable. For example, if the total loss payout from your comprehensive insurer fully covers your outstanding loan balance, Standard Cover and Replacement Costs are not payable. In this circumstance, you may be eligible to receive a No Gap Benefit payment providing you fulfil all other terms and conditions of the policy.

Important Definitions

The following list explains the meaning of some of the terms that are used in this Product Disclosure Statement.

agreed value means the amount that you and your comprehensive insurer agree to insure your vehicle for.

Application/Certificate of Insurance means the document you completed when you applied for this insurance cover. The Application/Certificate of Insurance sets out the particular details applicable to your insurance policy and forms part of the Product Disclosure Statement.

Authorised Representative means a person or body corporate authorised by MTA Insurance Limited to provide financial services on behalf of MTA Insurance Limited.

comprehensive insurance means the comprehensive motor vehicle insurance policy that covers you for loss or damage to your vehicle during the period of insurance as shown in your Application/Certificate of Insurance.

comprehensive insurer and **comprehensively insured** have corresponding meanings.

cooling off period means the 21 days from the commencement date on the Application/Certificate of Insurance (or such later date specified by law) during which you are able to cancel the policy and obtain a full refund of the premium paid.

credit provider means the financier from which you obtained the finance for your vehicle, as stated on your Application/Certificate of Insurance.

finance contract means the finance contract arranged to purchase, lease or hire purchase your vehicle (whichever is applicable) as noted in the Application/Certificate of Insurance.

Formula Rule of 78 is an industry formula used to work out a refund of premium on a fixed term policy where the amount of each repayment is the same. The formula compares the amount of time the policy has left to run against the total term of the policy to allow a refund to be calculated.

market value means the current market value of your vehicle as it was immediately prior to the time of the event which resulted in the total loss.

MTA Insurance Limited, we, us, our, insurer means MTA Insurance Limited, ABN 35 070 583 701.

outstanding balance due means the amount owing to your credit provider under your finance contract after the total loss payout to your credit provider has been subtracted. The effective date used to work out this calculation is the date of the event that results in the total loss.

Where the total amount financed exceeds the vehicle finance amount, the outstanding balance due will be reduced by a proportional amount. The reduced amount is calculated by dividing the Vehicle Finance Amount by the Total Amount Financed, and then multiplying the result by the Outstanding Balance Due.

period of insurance means the period shown on your Application/Certificate of Insurance as the period of insurance.

policy means the contract of insurance between you and MTA Insurance Limited as set out in the Product Disclosure Statement.

Product Disclosure Statement means the documents that set out the full terms and conditions applicable to your policy. The Product Disclosure Statement includes the Application/Certificate of Insurance.

total amount financed means the total amount of all financing provided by the credit provider to you under the finance contract.

total loss means your comprehensive insurer deems the vehicle beyond economical repair as a result of a claim under the policy.

total loss payout means payment by your comprehensive insurer in the event of the total loss of your vehicle of the full market value or full agreed value (as the case may be) as at the date of the total loss.

vehicle or the vehicle or your vehicle means the vehicle described in the Application/Certificate of Insurance, including any standard equipment and accessories (either factory fitted or supplied by the manufacturer) which were part of the vehicle at the time it was purchased. This policy specifically excludes any vehicle being used for carrying passengers for hire or reward such as taxis and rental cars.

vehicle finance amount means the proportion of the total amount financed used towards the purchase of the vehicle. This includes delivery charges, government charges, registration charges and any insurance policy premiums for policies providing cover on the total amount financed or the vehicle.

you or your means the person(s) set out in your Application/Certificate of Insurance as the insured.

What We Will Pay

The following table details the maximum benefit payable for each level of Standard Cover and Replacement Costs:

Standard Cover Level	Maximum Standard Cover Payable	Maximum Replacement Costs Payable
Ultra Cover	\$25,000	\$5,000
A Cover	\$20,000	\$4,000
B Cover	\$15,000	\$3,000
C Cover	\$10,000	\$2,000
D Cover	\$ 8,000	\$ 500

Standard Cover

Equity Insurance provides cover if your comprehensively insured vehicle becomes a total loss and:

- your comprehensive insurer makes a total loss payout to your credit provider and;
- there is still an outstanding balance due on the finance contract after the payout has been made (excluding any arrears, charges or at fault excess).

If this situation occurs during the period of insurance, we will assist in paying your credit provider the outstanding balance due on the finance contract (excluding any arrears, charges or at fault excess), up to the maximum benefit selected.

Replacement Costs

Where MTA Insurance Limited makes a payment to your credit provider under the standard cover as outlined above, the policy allows an additional amount to be paid to help you with some of the costs associated with replacing your vehicle. The table above shows the maximum additional amount that may be paid:

Replacement Costs will pay to you or your nominated payee the following expenses ("the Extras") up to the maximum policy limit:

- Registration
- Compulsory Third Party Insurance
- Stamp Duty
- Dealer Delivery Charges (New Vehicles Only)
- 12 Months Comprehensive Insurance premium.
- Personal Property Securities Register (PPSR) Certificate Fee
- Dealer Transfer Fee

Replacement Costs for any of the above expenses will only be paid if the expenses are incurred or due within 30 days of the date your replacement vehicle is delivered.

Before we approve any claim for Replacement Costs we will require you to provide:

- the relevant receipts and/or invoices relating to the Extras;
- your confirmation or declaration that Extras will not be used in any way which relates to any property mortgaged to the credit provider.

No Gap Benefit

If you hold Ultra, A, B or C level Standard Cover and, during the period of insurance, your comprehensive insurer makes a total loss payout that fully covers the outstanding balance due on the finance contract, we will make a payment of \$2,000 to you. This payment is called a No Gap Benefit payment. In the event of payment of a "No Gap Benefit", Standard Cover and Replacement Costs are not payable.

The purpose of the No Gap Benefit is to help you with some of the costs associated with replacing your vehicle (for example, registration, compulsory third party insurance, stamp duty and other insurance costs).

Before we approve any claim for a No Gap Benefit, we will require you to provide:

- written confirmation from your comprehensive motor insurer that they have made a total loss payout to your credit provider and the amount of the payout;
- written confirmation from your credit provider of the outstanding balance due as at the date of the event resulting in the total loss;

- written confirmation from you that the No Gap Benefit payment will not be used in any way in respect of any property mortgaged to the credit provider.

We may also require you to provide the relevant receipts and/or invoices relating to any costs associated with replacing your vehicle.

Replacement Vehicle

If your vehicle is written off by your comprehensive insurer and as a result of the claim they provide a new vehicle, one of the following options can be selected:

- Provide MTA Insurance Limited with details of the new vehicle and the coverage will continue to the expiry date of the policy.
- If you hold Ultra, A, B or C level Standard Cover, a No Gap Benefit claim can be lodged and on payment of the benefit, the policy will cease.

What We Will Not Pay

We will not make any payment under this policy:

- in relation to any arrears deferred repayments or penalty payments, default interest, enforcement expenses, early repayment fees accumulated under the finance contract even if they form part of the outstanding balance due;
- in relation to any deductions made by your comprehensive insurer such as, policy excess, Input Tax Credit (ITC) entitlement, any outstanding premium payments applicable to the comprehensive motor vehicle insurance policy, and the amount of the damaged vehicle where you retain the vehicle;
- in relation to any increase in the amount of liability to this policy which has occurred due to lack of notification of material changes to your circumstances or to the finance contract; or
- if your comprehensive insurer does not pay out the full market value or the full agreed value of your vehicle following a total loss for any reason whatsoever.
- if the vehicle is being used for carrying passengers for hire or reward such as taxis and rental cars.
- Any amount due under the finance contract which is not directly linked to the purchase or lease of your motor vehicle such as debt consolidation.

Making a Claim

Contact MTA Insurance Limited as soon as possible (contact details are on the contents page).

You will be sent a claim form which must be completed and returned to us as soon as reasonably possible, along with any documentation that we may request.

We may refuse the claim if we are disadvantaged by any delay in notifying us of a claim.

You must provide the following documents:

- a copy of the discharge from your comprehensive insurer stating the final total loss payout;
- a copy of the finance contract from your credit provider and a statement of the outstanding balance due and any other sums owing under the finance contract;
- other documentation relating to the finance contract, or the relevant finance transaction.

Cancellations

You may cancel this policy at any time by giving us written notice. Cancellation shall take effect from the date we receive your written request.

We may cancel this policy by advising you in writing only for reasons allowed under law.

If the policy is cancelled outside of the cooling off period, we will deduct an administration fee of \$66 as well as any non-refundable

government charges. We will also retain the portion of the premium which applies to the period during which the policy has been in force (using the Formula Rule of 78) or any lesser amount as may be required, in accordance with applicable legislation. If the amount of the premium to be refunded is less than the administration fee, a refund will not be issued.

The credit provider may cancel this policy if any item to which the Finance Contract relates is repossessed by, or on behalf of, the credit provider, or is deemed a total loss.

Refund of Premium

Any refund of premium will be paid to your credit provider, unless they direct us otherwise.

When Insurance Stops

This Policy will automatically cease and all benefits shall cease on the earliest of the following:

- the finance contract being fully paid out;
- cancellation of this policy;
- the expiry date of the period of insurance;
- a claim being paid under this policy;
- the credit provider repossesses your vehicle.

IMPORTANT NOTICES

General Insurance

The Authorised Representative is acting under an authority given to the Authorised Representative by MTA Insurance Limited ABN 35 070 583 701 to effect this Contract of Insurance. The Authorised Representative will be affecting this insurance as Authorised Representative for MTA Insurance Limited and not as an Authorised Representative for the intending insured.

Similar insurance may be arranged with an insurer of your own choice. The purchase of this insurance is optional.

Your Duty of Disclosure

For Contracts of General Insurance

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to insure you and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty, however, does not require disclosure of a matter:

- that reduces the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of business, ought to know; or
- that your insurer has waived your duty to disclose.

Non-disclosure

If you are unsure as to whether you need to disclose something, it is better to tell us. This is because if you fail to comply with your duty of disclosure and do not tell us something that you know or should know is relevant to the insurance contract, we may be entitled to reduce our liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, we may also have the option of treating the contract as if it was never entered into from the beginning.

Privacy Statement

MTA Insurance Limited (MTA) respects the confidentiality of personal information provided to us.

MTA is subject to the Australian Privacy Principles under the Privacy Act 1988, and the Privacy Amendment Act 2012.

- We and our Authorised Representatives collect your personal information (which may include health information and banking details) when you are applying for insurance or when we are processing a claim.
- Personal information is collected directly from the person involved or, where that is not reasonably practical, from other sources.
- We may disclose information we collect to third parties, such as related companies, our authorised representatives, finance providers, other insurance underwriters, claims assessors or investigators, medical practitioners, employers, government agencies or other persons where required by law.

By applying you agree to us using and disclosing your personal information as set out above.

To access information (including correcting or updating it), make a complaint about a breach of privacy or if you have a query relating to privacy, please contact us via the contact details supplied in this document.

To view a full copy of our Privacy Statement, please refer to our website at www.mtai.com.au

The General Insurance Code of Practice

MTA Insurance Limited has adopted the General Insurance Code of Practice (the code). The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The objectives of the Code are:

- to promote better, more informed relations between insurers and their customers;
- to improve customer confidence in the general insurance industry;
- to provide access for resolution of complaints and disputes between insurers and their customers; and
- to commit insurers and their service providers to higher standards of customer service.

The sections in this Product Disclosure Statement entitled “Making a Claim” on page 3 and “Procedures for resolving disputes about your policy” (see below) provide more information about our claims and complaints procedures.

Procedures for resolving disputes about your policy

If you have a complaint about an Equity Insurance claim, please contact:

MTA Insurance Limited
PO Box 4824
EIGHT MILE PLAINS, QLD 4113
Toll Free: 1800 634 294
Phone: (07) 3340 2700
Facsimile: (07) 3340 2701
Email: enquiries@mtai.com.au
Website: www.mtai.com.au

Your complaint will receive prompt consideration.

If your complaint is not resolved to your satisfaction, it will be referred to our Internal Dispute Resolution (IDR) Officer who has the authority to deal with the dispute.

If your complaint remains unresolved after review by our IDR Officer, you can contact the Financial Ombudsman Service (FOS) at:

GPO Box 3
MELBOURNE VIC 3001
Phone: 1300 78 08 08
(for the cost of a local call)
Facsimile: (03) 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

FOS is an external dispute resolution scheme that provides a free service to customers and is a totally impartial body that will deal with your complaint directly or follow up the matter on your behalf.

Financial Claims Scheme

This policy may be a ‘protected policy’ under the Federal Government’s Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from APRA at apra.gov.au or by calling 1300 55 88 49.