



EQUITY PLUS INSURANCE

PRODUCT DISCLOSURE STATEMENT

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What is Equity Plus Insurance?

If your comprehensively insured vehicle is written off (declared a total loss) as a result of accident or theft, you may find that the payout from your comprehensive insurer when your claim is accepted is less than what you owe your credit provider for your vehicle.

If your vehicle is declared a total loss by your comprehensive insurer, Equity Plus Insurance (EPI) is a policy that will help you avoid having to pay any shortfall between what your comprehensive insurer pays out and what you still owe your credit provider for your vehicle. Depending on the level of cover selected, this policy may also pay a range of expenses associated with the replacement of your vehicle.

Cooling Off Period

You have fourteen (14) days from the date you sign the Application/Certificate of Insurance in which to cancel the policy. Please contact MTA Insurance Limited in writing if you wish to cancel your policy, and, providing no claim has been made, a full refund will be provided to your credit provider.

How does EPI work?

The policy is designed so that if the total loss payout from your comprehensive insurer (following a total loss) is less than what you owe on your finance contract, MTA Insurance Limited will pay the shortfall to your credit provider (subject to the conditions and limits in this policy).

The policy has six levels of Standard Cover that you may select from Ultra,A,B,C,D or H Cover. The maximum benefit payable for each level of Standard Cover is set out on page 8. Selection of one of the levels of Standard Cover provides for payment of your outstanding loan balance (called the “outstanding balance due”) as outlined above up to the maximum benefit payable for the selected level of Standard Cover (subject to the conditions and limits in this policy).

In addition to the Standard Cover selected, a corresponding level of “Extra Cover” is provided for Ultra,A,B,C or H levels of Standard Cover. “Extra Cover” allows for an additional amount to be paid to help you with some of the costs associated with replacing your vehicle (subject to the conditions and limits in this policy). The maximum benefit payable for each level of Extra Cover is set out on page 8.

A “No Gap Benefit” of \$2,000 is also automatically provided if you select Ultra,A,B or C Standard Cover. For further information about “Extra Cover” and the “No Gap Benefit”, please turn to pages 8 and 9 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 Plus Insurance A Cover which includes Extra Cover (A). 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 a claim for Equity Plus Insurance 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.

As Bill also holds Extra Cover A, an amount of up to \$4,000 is payable in addition to the \$3,500 (see page 8 for information about Extra Cover). For Bill to claim the Extra Cover, he has to provide receipts that relate to the cost of buying his replacement vehicle, such as receipts for registration, stamp duty, 12 months comprehensive insurance, compulsory third party insurance and dealer delivery charges. If Bill’s claim is accepted, these extra costs, up to a maximum of \$4,000, will then be reimbursed directly to him or to his nominated payee.

Information about the cost of the insurance

Equity Plus Insurance is purchased at the time you arrange your finance contract. The cost of the insurance is called the premium. The premium for Equity Plus 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.

This policy becomes effective on the date you sign the Application/Certificate of Insurance and cover will apply for the period stated in the Period of Insurance section 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 the credit provider. All benefits in relation to Extra Cover 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 Plus Insurance. If you decide to apply for Equity Plus 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 Extra Cover may not be payable. For example, if the total loss payout from your comprehensive insurer fully covers your outstanding loan balance, Standard Cover and Extra Cover 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 14 day period starting from the date you sign 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 vehicle is damaged beyond economical repair due to an accident or theft while you are covered under “Equity Plus Insurance”.

“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.

“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

Standard Cover

Where Equity Plus Insurance is purchased, the policy 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 pay your credit provider the outstanding balance due on the finance contract (excluding any arrears, charges or at fault excess). The maximum benefit that we will pay in relation to any one claim depends on the level of Standard Cover selected.

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

Standard Cover Level	Maximum Benefit Payable
Ultra Cover	\$25,000
A Cover	\$20,000
B Cover	\$15,000
C Cover	\$10,000
D Cover	\$ 8,000
H Cover	\$10,000

Extra Cover

If you hold Ultra,A,B,C or H level Standard Cover, a corresponding level of Extra Cover (up to the limits specified below) is automatically provided. For example, if you hold A level Standard Cover, you would automatically be provided with Extra Cover (A).

If Extra Cover is held and MTA Insurance Limited agrees to pay your credit provider the Standard Cover applicable as outlined above, the policy allows an additional amount to be paid (depending on the cover selected and up to the limits specified below) to help you with some of the costs associated with replacing your vehicle. The table below shows the maximum additional amount that may be paid depending on the level of Extra Cover held:

Type of Cover Held	Maximum Extra Amount Payable
Extra Cover (Ultra)	\$5,000
Extra Cover (A)	\$4,000
Extra Cover (B)	\$3,000
Extra Cover (C)	\$2,000
Extra Cover (D)	\$ 500
Extra Cover (H)	\$2,000

Extra Cover will pay to you or your nominated payee the following expenses (“the Extras”):

- Registration
- Compulsory Third Party Insurance
- Stamp Duty
- Dealer Delivery Charges (New Vehicles Only)
- 12 Months Comprehensive Insurance to the maximum policy limit for Extra Cover.

Extra Cover 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 Extra Cover 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

A No Gap Benefit is automatically provided with Equity Plus Insurance Ultra,A,B or C level Standard Cover. 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 Extra Cover 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 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, upon 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 excess/extra premiums paid or due on your comprehensive insurance policy;
- 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.

- Any amounts included from previous loans, loan fees and charges (including broker fees) or amounts used to fund payments to you or other debt consolidation.

Making a Claim

Written or verbal notification must be given to MTA Insurance Limited as soon as possible after the event of a total loss.

You will be sent a claim form which must be completed and returned within fourteen days of receipt, along with any documentation that we may request.

You must authorise us to obtain:

- 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 that proportion 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.

Refund of Premium

You authorise and direct us to pay any refunded premium to your credit provider.

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 effecting 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

We, MTA Insurance Limited, ABN 35 070 583 701, respect the confidentiality of the personal information that you provide to us.

1. National Privacy Principles

The way we handle your personal information is governed by the National Privacy Principles. You can ask to obtain access to your personal information we and/or our contractors hold, although under some circumstances permitted by law you may not be provided with such information.

2. Our ability to collect personal information

We are permitted to collect this information under laws relating to insurance, credit, taxation and the provision of financial services.

3. How your personal information will be used

We collect your personal information so that we can assess the risk in providing you with the insurance for which you have applied, and, if your application is successful, provide you with such insurance, and to assess any claim you may make on such insurance. If you do not provide us with your personal information, we will be unable to assess the risk or process your application for insurance.

4. Exchange of personal information with third parties

Your personal information may be disclosed to the parties described below to enable us to assess your application for insurance or any claim you may make in the future:

- current and future insurance agencies, or other insurers in relation to your application, the issue of insurance and any claim you may make in the future;
- our insurance underwriters/providers in relation to our insurance policies;
- claims investigators and assessors who may be assisting us in assessing any claim you may make;
- Centrelink, the Australian Taxation Office or other government departments, agencies or bodies to whom we may be required by law to disclose information regarding, but not limited to, any payout or benefit paid in respect of any insurance policy you may hold with us;
- your employer, in relation to your employment status; and
- our professional advisers and other contractors (e.g. insurance reference agencies, information technology consultants and mailing houses).

We may also be providing a copy of your application and personal information to:

- any finance company referred to in your application; and
- the motor dealer referred to in your application.

5. Access and correction of your personal information

It is important to us that the personal information that we hold about you is accurate, complete and up to date. If you are aware that this is not the case and would like your personal information corrected, or if you simply desire access to your personal information, please contact MTA Insurance Limited on (07) 3392 1366 or write to the address provided on the back of this Product Disclosure Statement. If we decide not to correct or provide you with access to your personal information, we will give you our reasons for our decision.

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 10 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 Plus Insurance claim, please contact:

MTA Insurance Limited
PO Box 1171
COORPAROO DC QLD 4151
Toll Free: 1800 634 294
Phone: (07) 3392 1366
Facsimile: (07) 3392 1367
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 who will deal with your complaint directly or follow up the matter on your behalf.

THIS EQUITY PLUS INSURANCE POLICY IS ISSUED BY



MTA INSURANCE LIMITED

ABN 35 070 583 701

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