

The logo for MTA Insurance Limited features the letters 'MTA' in a bold, red, sans-serif font with a white outline. The letters are set against a dark blue background that has a subtle grid pattern. Below the letters, the words 'Insurance Limited' are written in a smaller, white, sans-serif font.

Insurance Limited

## MARINE EQUITY PLUS INSURANCE

PRODUCT DISCLOSURE STATEMENT

# MTA

# Table of Contents

What is Marine Equity Plus Insurance?.....	1
Cooling off period .....	1
How does Marine Equity Plus Insurance work? .....	1
Information about the cost of the insurance .....	2
Other costs and fees .....	2
Our Agreement With You – Terms and Conditions .....	2
Important Definitions .....	2
What we will pay .....	4
Extra Cover.....	4
No Gap Benefit.....	4
Replacement Boat .....	5
What we will not pay.....	5
Making a claim.....	5
Cancellations .....	5
Refund of premium.....	5
When insurance stops .....	6
Important Notices – General Insurance .....	6
Your duty of disclosure .....	6
Privacy Statement .....	6
The General Insurance Code of Practice .....	7
Procedures for resolving disputes about your policy .....	7

## **What is Marine Equity Plus Insurance?**

If your comprehensively insured boat is declared a total loss by your comprehensive insurer as a result of accident or theft, you may find the settlement from the comprehensive insurer is less than what is owing to your credit provider.

Marine Equity Plus Insurance (MEPI) is a policy that will help avoid having to pay any shortfall between what your comprehensive insurer pays in settlement of your claim, and what you still owe your credit provider. Depending on the level of cover selected, this policy may also pay a range of expenses associated with the replacement of your boat.

## **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 either in writing or by email 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 Marine Equity Plus Insurance work?**

The policy is designed so that if the total loss payout from your comprehensive insurer 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 five levels of Standard Cover that you may select from – Ultra,A,B,C or D Cover. The maximum benefit payable for each level of Standard Cover is set out on page 4. 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 the 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 boat (subject to the conditions and limits in this policy). The maximum benefit payable for each level of Extra Cover is set out on page 4.

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 page 4 of this Product Disclosure Statement.

**Example** – Bill buys a new boat on finance through XYZ Finance Company. He obtains finance for a total of \$20,000 and chooses to take out Marine Equity Plus Insurance A Cover which includes Extra Cover (A). His insurer comprehensively insures his boat at market value. One year later, Bill’s entire boat is a total loss as a result of an accident. The insurer settles the claim for the current 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 Marine 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.

As Bill also holds Extra Cover A, an amount of up to \$4,000 is payable in addition to the \$3,500 (see page 4 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 boat, 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**

Marine 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 Marine 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**

<b>Type of cost, fee or charge</b>	<b>Details</b>
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 Marine Equity Plus Insurance. If you decide to apply for Marine 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 boat 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.

**boat or the boat or your boat** means:

- Jet Ski
- Hull(s); and may include some of the following:
  - Motor(s);
  - Masts, Spars, Rigging and sails;
  - Trailer (if specifically noted as covered on the application/certificate of Insurance)
  - Standard equipment and accessories (either factory fitted or supplied by the manufacturer) which were part of the boat at the time of purchase.

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

**comprehensive insurance** means the comprehensive boat insurance policy that covers you for loss or damage to your boat during the period of insurance as shown in your Application / Certificate of Insurance. **comprehensive insurance** 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 boat, as stated on your Application / Certificate of Insurance.

**finance contract** means the finance contract arranged to purchase, lease or hire purchase your boat (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 boat 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 boat finance amount, the outstanding balance due will be reduced by a proportional amount. The reduced amount is calculated by dividing the Boat 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 boat is damaged beyond economical repair due to an incident or theft while you are covered under "Marine Equity Plus Insurance".

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

**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 Marine Equity Plus Insurance is purchased, the policy provides cover if your comprehensively insured boat 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 policy 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:

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

### **Extra Cover**

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 boat. The table below shows the maximum additional amount that may be paid depending on the level of Extra Cover held:

<b>Type of Cover Held</b>	<b>Maximum Extra Amount Payable</b>
Extra Cover (Ultra)	\$5,000.00
Extra Cover (A)	\$4,000.00
Extra Cover (B)	\$3,000.00
Extra Cover (C)	\$2,000.00
Extra Cover (D)	\$ 800.00

Extra Cover will pay to you or your nominated payee the following expenses (“the Extras”) up to the maximum amount for the selected cover noted in the table above.

- Registration
- Compulsory Third Party Insurance (where applicable)
- Stamp Duty
- Dealer Delivery Charges
- 12 Months Comprehensive Insurance premium.

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 boat 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 Marine 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 \$2,000.00 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 boat (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 boat 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 boat.

### **Replacement Boat**

If your comprehensive insurer settles the claim on your boat as a total loss, and as a result of the claim they provide you with a new boat, you may select one of the following options:

- Provide MTA Insurance Limited with details of the new boat and the coverage will continue to the expiry date of the policy.
- If you hold Ultra,A,B,C or D 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 excess/extra premiums paid or due on your comprehensive insurance policy;
- in relation to any allowance made in the total loss settlement by the comprehensive insurer for any undamaged or salvaged items retained by you that are noted on the finance contract.
- 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 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 boat 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 as related 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;
- your boat ceases to be covered by a comprehensive insurance policy;
- a claim being paid under this policy;
- the credit provider repossesses your boat.

### **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 (eg. 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
- the authorised representative 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 5 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](mailto:enquiries@mtai.com.au)  
 Website: [www.mtai.com.au](http://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](mailto:info@fos.org.au)  
 Website: [www.fos.org.au](http://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 Marine Equity Plus Insurance Policy is issued by



MTA Insurance Limited

ABN 35 070 583 701

Australian Financial Services Licence No: 239912

PO Box 1171  
Coorparoo DC  
QLD 4151

Toll Free: 1800 634 294  
Telephone: (07) 3392 1366  
Facsimile: (07) 3392 1367  
Email: [enquiries@mtai.com.au](mailto:enquiries@mtai.com.au)  
Website: [www.mtai.com.au](http://www.mtai.com.au)

PDS Dated November 2009

Effective Date 10 December 2009