



# **MTA Insurance Limited**

## **Cash Benefit Insurance**

### **Product Disclosure Statement**

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

**This Product Disclosure Statement is effective from 20 March 2012**

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### **This Cash Benefit Insurance is issued by:**

**MTA Insurance Limited**  
**ABN 35 070 583 701**  
**Australian Financial Services Licence No: 239912**

Contact Details:  
PO Box 4824  
Eight Mile Plains QLD 4113

Building 23, Garden City Office Park  
2404 Logan Road  
Eight Mile Plains QLD 4133

Phone:  
Toll Free: 1800 634 294  
Facsimile: 1300 729 094

Email: [enquiries@mtai.com.au](mailto:enquiries@mtai.com.au)  
Website: [www.mtai.com.au](http://www.mtai.com.au)

## What is Cash Benefit Insurance and how does it work?

Cash Benefit Insurance (CBI) is designed to pay the amount nominated on the Application/Certificate of Insurance in the event of your insurer settling a claim on your comprehensively insured vehicle as a total loss.

We will pay the nominated insured amount (subject to the conditions and limits in this policy) in one of three ways:

- 1) Payment to your credit provider to reduce or eliminate the balance owing.
- 2) Payment to your credit provider to settle the outstanding balance, with the remainder up to the sum insured paid to you.
- 3) Payment of the sum insured to you.

**Example** – Bill buys a car at a cost of \$20,000 and chooses to take out Cash Benefit Insurance Option 3 cover for 5 years. 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 of the current full market value of \$16,000. He submits a claim for Cash Benefit Insurance to MTA Insurance Limited and if the claim is accepted, a payment of \$5,000 (Option 3) is made to either Bill or his credit provider.

## Information about the cost of the insurance

Cash Benefit Insurance is purchased at the time you purchase your vehicle. The cost of the insurance is called the premium. The premium for Cash Benefit Insurance is a once only payment that covers for the period of insurance nominated by you and is paid at the vehicle purchase date. The amount of premium payable and period of insurance 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.

## Cooling Off Period

You have fourteen (14) 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 you or your credit provider.

## 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, or if the vehicle is not subject to finance, to you, 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 in the Cover Details section of the Application/Certificate of Insurance.

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

Where the vehicle purchase involves a finance contract, benefits relating to the Cover shall be paid to the credit provider. Where no finance is involved benefits relating to the Cover shall be paid to you.

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 Cash Benefit Insurance. If you decide to apply for Cash Benefit Insurance, you should carefully read and keep this Product Disclosure Statement and the Application/Certificate of Insurance with your important papers.

### 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 your comprehensive insurer agrees 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. **comprehensive insurer** and **comprehensively insured** have corresponding meanings.

**cooling off period** means the 14 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.

**Motor 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.

**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.

**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.

**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**

### **Cover**

Where Cash Benefit Insurance is purchased, the policy provides cover if your insured vehicle becomes a total loss and your insurer makes a total loss payout.

If this situation occurs during the period of insurance, we will pay the sum insured that you have selected on your Application/Certificate of Insurance, in one of the following ways:

- Payment to your credit provider to reduce or eliminate the outstanding balance owing.

- Payment to your credit provider to settle the outstanding balance with the remainder up to the sum insured paid to you.
- Payment of the sum insured to you.
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The following table details the maximum benefit payable in relation to any one claim for each level of cover;

<b>Option</b>	<b>Sum Insured</b>
Option 1 (3,4 or 5 years)	\$3,000
Option 2 (3,4 or 5 years)	\$4,000
Option 3 (3,4 or 5 years)	\$5,000

### **What We Will Not Pay**

We will not make any payment under this policy:

- if your 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.

### **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:

- A claim is made with MTA Insurance, on payment of the benefit the policy will cease.
- Provide MTA Insurance Limited with details of the new vehicle and the coverage will continue to the expiry date of the policy.

### **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 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.

### **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**

The credit provider may request the refunded premium be directed to them, or with their permission be paid to you.

If the vehicle is not subject to finance the refunded premium will be paid to you.

## **When Insurance Stops**

This Policy and all benefits will cease in the event of any of the following:

- cancellation of this policy;
- the expiry date of the period of insurance;
- a claim being paid under this policy;

## **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 an 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:

- the motor dealer or agent 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) 3340 2700 or write to the address noted on the contents page 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 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 a Cash Benefit Insurance claim, please contact:

MTA Insurance Limited  
PO Box4824  
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 who will deal with your complaint directly or follow up the matter on your behalf.