

AAI CAR DEALER ADD-ON INSURANCE CLASS ACTION
Zoey Anderson-Vaughan v AAI Limited and another
Supreme Court of Victoria



GROUP PROCEEDING SUMMARY STATEMENT

Case: S ECI 2021 00930

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1. What is a group proceeding / class action?

Where seven or more people have claims that arise out of similar circumstances, a class action can be brought by one plaintiff on their own behalf and representing others. Members of the class are called group members (**Group Members**).

2. Who is the AAI Car Dealer Add-On Insurance Class Action against, and what is the claim for?

The class action is against AAI Limited (**AAI**) and Asteron Life & Superannuation Limited (formerly Suncorp Life & Superannuation Limited) (**SLSL**). It concerns insurance (**Add-On Insurance**) which was sold with, or added onto, loans for the purchase or lease of motor vehicles or motorcycles (**Vehicles**) at car dealerships (**Dealers**).

These Add-On Insurance products have a number of different names, but the products the subject of this class action were generally called: **Loan Protection Insurance** or **Commercial Loan Protection Insurance; Equity** or **Equity Plus Insurance; Cash Benefit Insurance; Extended Vehicle Warranty Insurance; or Tyre and Rim Insurance**.

The products covered by this class action were issued by MTA Insurance Pty Limited (**MTAI**), AAI and/or SLSL, and distributed by MTAI through Dealers. From around 1 July 2015, AAI became responsible for Add-On Insurance contracts issued by MTAI.

The class action alleges that:

- (a) MTAI, AAI and SLSL gave “personal advice” to consumers within the meaning of the *Corporations Act 2001* (Cth) (**Corporations Act**), but breached various obligations in relation to the giving of that advice that are imposed on them by that law;
- (b) MTAI, AAI and SLSL engaged in misleading or deceptive conduct contrary to the *Corporations Act* and the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**), and made false or misleading representations contrary to a provision in the ASIC Act;
- (c) The conduct of MTAI, AAI and SLSL wrongly induced consumers to buy the Add-On Insurance, or MTAI, AAI and SLSL should have known that consumers who purchased Add-On Insurance did so in the mistaken belief that the products were necessary for or of value to them.

By reason of AAI becoming responsible for Add-On Insurance contracts issued by MTAI prior to 1 July 2015, AAI is liable for MTAI’s contraventions outlined above. The class

action therefore alleges that AAI and SLSL are liable to pay the Plaintiff and Group Members compensation and/or the amount of the premiums mistakenly paid for the Add-On Insurance.

3. Who is a Group Member in the AAI Car Dealer Add-On Insurance Class Action?

You may be a Group Member if you, at any time between 1 May 2006 to 30 June 2018:

- (a) purchased or leased a Vehicle from a Dealer;
- (b) purchased or leased the Vehicle using a loan arranged by the Dealer;
- (c) in conjunction with the purchase or lease of the Vehicle, purchased at least one Add-On Insurance product issued by MTAI and/or AAI and/or SLSL; and
- (d) made payments to MTAI and/or AAI and/or SLSL (directly or indirectly) for the Add-On Insurance.

A complete definition of Group Members is in Part A.2 of the Statement of Claim.

Please note that during the period, these products were “branded” with MTAI.

4. Who is the law firm acting for the Plaintiff?

Maurice Blackburn.

5. What is the role and responsibility of the Plaintiff?

The Plaintiff, Mrs Zoey Anderson-Vaughan, is the representative of the Group Members. Mrs Anderson-Vaughan is providing and will continue to provide instructions to Maurice Blackburn regarding the conduct of the case. She may give evidence in a trial. In hearing the Plaintiff's case, the Court will be asked to make findings in relation to questions of fact and/or law that are common to all Group Members.

6. How is the AAI Car Dealer Add-On Insurance Class Action funded?

All costs associated with the AAI Car Dealer Add-On Insurance Class Action will be borne by Maurice Blackburn, unless and until there is a successful outcome (being a settlement approved by the Court or the Court awards compensation in a judgment after trial).

Maurice Blackburn's no win no fee retainer agreement sets out the terms on which it is acting. Group members can ask Maurice Blackburn for a confidential copy of the retainer signed by Mrs Anderson-Vaughan.

The Plaintiff intends to make an application for a Group Costs Order. A Group Costs Order is an order of the Court in which the legal costs payable to the law practice representing the Plaintiff and the Group Members are calculated as a percentage of the amount of any award or settlement. The percentage is determined by the Court.

The Plaintiff and Group Members will not be asked to pay anything upfront. Costs will only be payable if there is a successful settlement or judgment and then only as approved by the Court.

7. How are legal fees and disbursements charged?

The Plaintiff's legal fees and disbursements are 'conditional', meaning that they are only recoverable by Maurice Blackburn if there is a successful outcome. Amounts recoverable by Maurice Blackburn for legal fees and disbursements must be approved by the Court as reasonable, before being deducted from the money to be paid to Group Members. Those deductions will never exceed a Group Member's recovery.

If there is a successful outcome, the Plaintiff's legal fees and disbursements will either be charged using time-based billing for professional fees, with disbursements (for example, filing fees, fees for experts and barristers) charged at cost; OR calculated as a percentage of the amount of any collective award or settlement if the Court makes a Group Costs Order. The percentage is determined by the Court.

If there is not a successful outcome, the Plaintiff and Group Members will not be asked to pay Maurice Blackburn's costs or disbursements. Also, Group Members cannot be pursued for costs by AAI or SLSL as the *Supreme Court Act 1986* (Vic) prohibits orders for costs against Group Members unless and until a Group Member takes their own individual action.

8. Are there any other class actions that relate to the same subject matter?

No. We are aware of an investigation into another class action relating to similar subject matter, but we are not aware that any other class action has been filed.

9. Who can potential Group Members contact for further information about the case?

You may contact Maurice Blackburn, at no out of pocket cost, via the following methods:

Email	addonclassaction@mauriceblackburn.com.au	Post	AAI Car Dealer Add-On Insurance Class Action Maurice Blackburn PO Box 523 Melbourne VIC 3001
Phone	1800 497 191		