

AAI & MTA CLASS ACTION
Zoey Anderson-Vaughan v AAI Limited and others
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 & MTA Class Action against, and what is the claim for?

There are three **defendants** in the class action - AAI Limited (**AAI**), TAL Life Limited (**TAL**), and MTA Insurance Pty Ltd (**MTA**). Asteron Life & Superannuation Limited (formerly Suncorp Life & Superannuation Limited) (**SLSL**) was a former defendant and TAL is responsible for responding to the allegations against SLSL.

The class action 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 one or more of the defendants, and distributed by MTA through Dealers. From around 1 July 2015, AAI became responsible for Add-On Insurance contracts issued by MTA.

The class action alleges that the defendants:

- (a) 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) 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) wrongly induced consumers to buy the Add-On Insurance, or the defendants 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.

The Plaintiff seeks damages to compensate each Group Member (as well as other types of relief).

3. Who is a Group Member in the AAI & MTA 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 one or more of the defendants;
- (d) made payments to any of the defendants (directly or indirectly) for the Add-On Insurance; and
- (e) suffered loss or damage by reason of the alleged contravening conduct of the defendants.

In addition to the above requirements, for persons who purchased add-on insurance products prior to 30 March 2015, you are a Group Member if your claim falls within the exception to the statutory limitation period applicable to your claim.

These products were generally “branded” MTA.

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 & MTA Class Action funded?

All costs associated with the AAI & MTA 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).

If the class action is successful, legal costs payable to Maurice Blackburn are subject to the “group costs order”, discussed below.

If the class action is unsuccessful, Group Members will not be liable to pay any legal costs at all.

7. How are legal fees and disbursements charged?

If there is a successful outcome in the class action, the legal costs payable to Maurice Blackburn will be calculated as 25% of any settlement or judgment sum recovered for

Group Members, rather than using time-based billing. This arrangement is called a “group costs order” (**GCO**).

Important points to note:

- The GCO arrangement, and the rate of 25%, were approved by the Court in August 2023.
- The Court can adjust the GCO rate at any time in the proceeding. If this occurs, the Court will take into account the interests of group members.
- If there are any costs payable to the defendants in the class action, the law requires Maurice Blackburn to pay these.

Therefore, **the Plaintiff and group members will not be liable to pay any ‘out of pocket’ costs, whether or not the case is successful.**

A copy of the GCO ruling dated 8 August 2023, and the orders dated 11 August 2023 can be found on the websites of Maurice Blackburn and the Supreme Court of Victoria.

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

No.

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	aai_addonclassaction@mauriceblackburn.com.au	Post	AAI & MTA Class Action Maurice Blackburn PO Box 523 Melbourne VIC 3001
Phone	1800 571 256		