

Your Choice

September 2005

CAPRICORN
MUTUAL



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Meeting Member Needs Behind the Scenes



Alana Jasper.

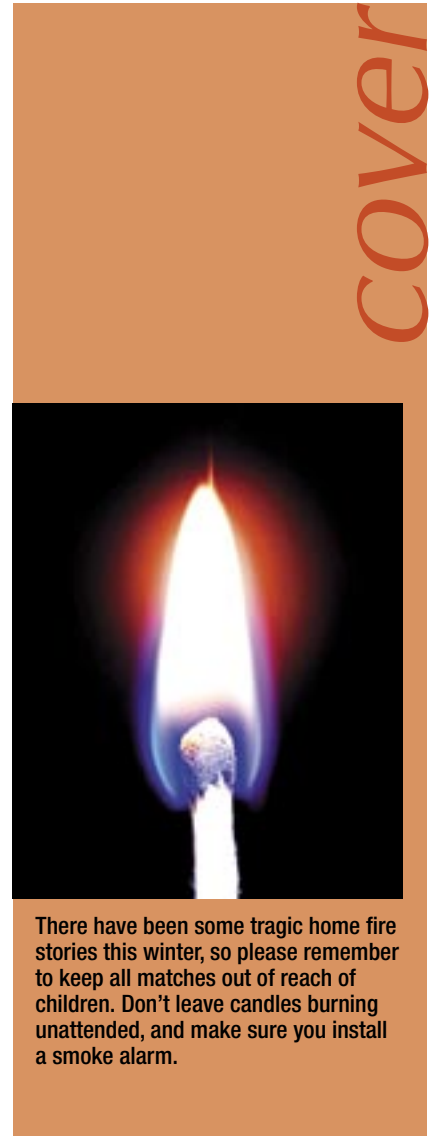
I have been a part of the Capricorn Mutual team for just over a year and am finding the position of Sales and Service Officer a challenging, but enjoyable position. Having experienced different aspects of Capricorn Mutual before commencing this role, I found that all the positions had the common goal of ensuring that the needs of members were met in the best way possible.

There are a number of specific functions that I am responsible for as a Sales and Service Officer. These include:

- Reviewing referrals for personal protections where the system flags a risk that requires further investigation. For example, young drivers, high performance vehicles, vehicles with many valuable accessories, old houses and houses constructed with asbestos.
- Actioning Confirmation of Applications and ensuring that members have completed all areas required, including correct Capricorn Society account number and whether they would like lump sum or monthly instalments.
- Communication with Capricorn Mutual Liaison Officers to obtain extra underwriting information and advising on decisions made by underwriters.
- Issuing interim protection where absolutely necessary and appropriate.

I am currently training to be proficient on commercial protections for business assets and public liability. Although I don't have direct contact with members, ultimately my role is to ensure members' needs are met as efficiently and expediently as possible and to assist Liaison Officers to do the same.

Alana Jasper
Sales and Service Officer



There have been some tragic home fire stories this winter, so please remember to keep all matches out of reach of children. Don't leave candles burning unattended, and make sure you install a smoke alarm.

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You should consider Capricorn Mutual Limited's Product Disclosure Statement (PDS) before deciding whether to join. You can obtain a copy of the PDS by ringing 1800 007 022 (Australia) or 0800 555 303 (New Zealand).



Are you protected for fire damage?

Category: CRASH REPAIRERS
Claim Type: Fire
Date of Loss: 2/5/2005
Location: Queensland — Metropolitan

Report Method: Telephone call to Claims Department

Details: Noel Smith and his son Bradley have run their mechanical and panel business, Mobile Service Centre, for the past 38 years in Goodna, Queensland.

Mobile Service Centre was an early member of Capricorn Mutual taking up protections for their business in October 2003. They took up protections for the business' building, its contents, stock, employee tools, loss of rent and business interruption.

It was a public holiday in Queensland on the day of the fire, so no staff were on the premises. Luckily Noel had installed a smoke and security alarm that alerted the fire brigade to act.

The fire had started due to their Eftpos machine in reception overheating, which then caused a malfunction in the transformer on the main powerboard. The fire quickly spread up the wall to the ceiling and across to adjoining rooms. As such, the reception area and offices were heavily fire damaged, and the kitchen, staff amenities and storage area were affected by smoke and water. Wall linings, the ceiling and roof timbers were also severely damaged by the fire as was electrical and plumbing services.

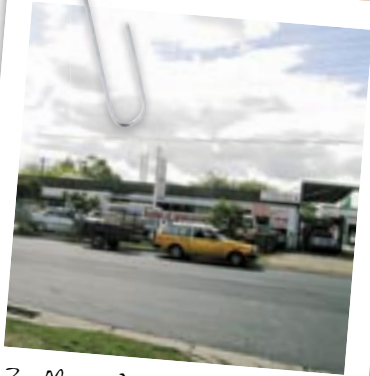
Noel called Capricorn Mutual's claims department soon after arriving on site to report the fire and make a claim. The Mutual's assessor then called the member whilst he was still on site and was able to speak to the attending fire and police officers. The assessor went out to the business the following day to assess the damage and file his report to Capricorn Mutual.

The Outcome: The assessor reported that the police and fire officers, and Forensic Services Australia all agreed that the fire was caused by an electrical fault. Emergency repairs were carried out to electrical and plumbing services immediately. Telstra services were restored and temporary roof repairs were carried out.

Removal of debris and cleaning of the building's structure was done in order to create a fully detailed scope of work to be carried out. Professional cleaners then came in to tidy up and remove all contents that were damaged, and a list was compiled of all items that needed replacing and those that could be restored.

Minimal business interruption occurred for office staff and because the fire was contained to the front of the building, work carried on as normal in the workshop once the emergency repairs had been carried out. Capricorn Mutual has cash settled Noel and Bradley for the office items that were damaged, and repairs are currently being carried out on the building and are due to be finished shortly.

The total damage bill is estimated at \$200,000.



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Taking Care of Your Fire Extinguisher

Fire extinguishers must be placed in the right area and receive regular maintenance in accordance with local, state and national codes and regulations. This not only increases the life expectancy of your equipment, but you can have the peace of mind that your system is ready to operate effectively should an emergency occur.

Location, Location, Location

It is important to know the locations and the types of fire extinguishers prior to actually using one. Portable extinguishers should be conspicuously located where they will be readily accessible in the event of fire.

Practice Makes Perfect

Fire extinguishers can be heavy, so it's a good idea to practice holding an extinguisher to get an idea of the weight and feel. Take time to read the operating instructions and warnings found on the fire extinguisher label. Practice releasing the discharge hose or horn and aiming it at the base of an imagined fire. Do not pull the pin or squeeze the lever, as this will break the extinguisher seal and cause it to lose pressure.

Maintenance

Fire extinguishers must be maintained on a regular basis to ensure their proper operation. As well as giving them a quick check every 30 days, owners of the property where the fire extinguishers are located are also responsible for arranging a more thorough annual inspection, usually conducted by a fire equipment professional.

For more detailed information, log on to the following websites:

Australian Members

Chubb

http://www.chubb.com.au/fire_extinguishers.asp

Maintenance Essentials

<http://www.testedgroup.com>

New Zealand Members

Fire Control Services

<http://firecontrolservices.co.nz>

Fire Safety Services

<http://www.fireco.co.nz>



Do you have Business Interruption

Planning to be Interrupted?

A fire starts in an auto repair shop overnight, damaging the building and contents and causing the business to close for four weeks while repairs can be made. Although the shop owner is protected for fire damage, the resultant loss of a month's profit could have been avoided had the owner protected himself against business interruption.

Business interruptions happen to automotive businesses every year, yet many small business owners are unaware of the available protection for such an occurrence. Business interruption protection can include a whole range of events, including fire, flooding, storms and vandalism.

Being adequately prepared for the risks your business faces means planning for any interruptions that could place your business in jeopardy. Many business owners take out protections for events like fire or burglary, but overlook the fact that repairing or rebuilding premises or replacing stock and equipment takes not only money, but also time. What about the months it will take to rebuild your premises, during which time you will not be able to trade, but may have to pay wages and other running costs?

Research conducted by the Insurance Council of Australia in 2002 found that 42 per cent of insured small businesses have no Business Interruption insurance. The loss



Business Interruption Protection may help to calm the storm when lightning hits.

of revenue incurred from a temporary shutdown can be devastating to a business, and having Business Interruption Protection means cashflow is maintained while the company re-establishes its operations. Protection can also include reimbursement for lost net profits and necessary continuing expenses.

You may think that you will never need it, but various unexpected losses can and do occur. Taking out Business Interruption protects against the events listed below, and optional protections can be selected for additional contributions.

There are three optional protections for business interruption provided by Capricorn Mutual:

1. **Accounts Receivable** — protection for the inability to trace or collect money owing to the protected due to loss or damage of business records as a result of an event.
2. **Claims Preparation Costs** — protection for accountancy, auditing or other consultancy fees incurred by the protected to prepare a claim for business interruption.
3. **Additional Increased Cost of Working** — protection for additional costs necessarily and reasonably incurred by the protected for the sole purpose of resuming normal business operations.

Capricorn Mutual Business Interruption Protection

Capricorn Mutual offers Business Interruption Protection for:

- Fire
- Lightning
- Storm and wind
- Water damage
- Impact by vehicles, animals, aircraft or other aerial devices
- Falling objects
- Riot or civil commotion
- Malicious acts
- Earthquake, subterranean fire or volcanic eruption
- Action by sea
- Hail (other than for damage to vehicles in stock)

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& ACT
Richard Hart
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NZ
Bob Edwards
021 800 449

Liaison Officer Profile



Name: Robert Pilgrim

Position: Liaison Officer, Queensland

Phone Number: 0408 926 718

Lives: East Brisbane, Brisbane

Career History:

I completed Grade 12 in 1985 and commenced employment the following year as an endorsement clerk with FAI/Car Owners Mutual at their city office. A few years later I progressed to the commercial underwriting department and in 1989, I was transferred to the Maroochydore office with the new role as Area Manager for commercial business intermediary and direct. In 1991 I was transferred to Rockhampton as Branch Manager, a position that was certainly a compliment and also a baptism of fire.

Two years later I resigned from FAI and took up a new role with VACC Insurance as Area Manager in Central Queensland at a newly established branch. I was later transferred to the Brisbane office and continued as an Area Manager. In March 2004, I resigned from VACC (which had been taken over by CGU, which in turn was taken over by IAG) to take up my role with Capricorn Mutual as a Liaison Officer.

Throughout your career, what has been the defining moment, and why?

Being elevated in 1991 to Branch Manager at the age of 21. That move ultimately gave me a much broader view of the world and gave me experience in a variety of general insurance niches, including the motor trade.

Who has had the greatest influence on you throughout your life?

Certainly my father — he was a Bank Manager and above all a good bloke. He loved talking to people and had a very positive view on the world. At the end of the day most people are a product of their parents for which I am glad.

What book are you reading at the moment?

That's tough. I'm not into stories unless they are true. Magazines and papers on world affairs, politics and sport catch my eye the most.

What is the nicest thing anyone has done for you throughout your life?

That's also tough ... I can't pinpoint one event, but I have friendships spanning over 20 years — those mean a lot to me.

What do you do on weekends?

I spend lots of time with my three children, golf with friends (handicap 10) and go crabbing/fishing in Moreton Bay. I also like to watch the Broncos and any Queensland or Australian team or sports person, especially when they are playing the Poms.

What hobbies do you have?

Indoor cricket, boating, golf and music. I like to play guitar, although public performances are not on the to-do list. My voice usually sounds better after the Bundy bear has paid a visit!



Do you have enough Product Liability

Fraudulent Claims: Stealing From Yourself



Fraudulent claims can take many forms — arson, staged auto accidents, even padding a loss to cover the contribution. However, Capricorn Mutual members know it's not in their best interest to make a fraudulent claim because it's 'their' mutual.

The same goes for exaggerated claims, which are perhaps more common. When a member inflates their claim, they cheat those who own the Mutual — themselves included.

For this reason, Capricorn Mutual is committed to uncovering fraudulent claims because all the funds are the members' funds. Should a member make a fraudulent claim, this will be a significant consideration in the exercise of discretion about that claim.

Capricorn Mutual has been designed to help customers resolve their claims so that they receive the full benefit of their protection. Similarly, the detection of fraudulent claims helps to protect the rest of the members.

Claims handlers at Capricorn Mutual are experienced and are aware of the flags

of fraudulent claims. Each motor vehicle claim is assessed and an investigator is sent out to inspect the damage to the car and record physical evidence of a claim. That is why it is important to report your claim immediately, as any delay can make it difficult for Capricorn Mutual to investigate a claim.

Of course, a mutual is not like an insurance company — it is an association of people with common risks or goals who pool financial resources to meet common financial obligations. For this reason, fraudulent claims in Capricorn Mutual are very rare.

As a member owned, not-for-profit organisation specifically formed to address the needs of Capricorn Society members, Capricorn Mutual uses the collective strength of individual members in a way that will help spread the cost of risk across its members, who are all in the automotive industry.

Due to this shared ownership in the Mutual, anyone making a fraudulent claim is damaging their own business and taking from the pooled resources of their colleagues — and themselves.

Capricorn Mutual Personal Protections

Capricorn Mutual offers personal protection for:

Home Buildings

- Loss or damage to home buildings
- Purchasers' interest
- Electric motor burnout
- Inflation
- Fire brigade costs
- Public authorities
- Your legal liability
- Rent assistance
- Hobby farm buildings
- Flood damage

Home Contents

- Loss or damage to home contents
- Home contents temporarily removed
- Visitors' property
- Electric motor burnout
- Frozen food spoilage
- Your legal liability
- Accidental damage
- Hobby farm contents
- Flood damage

Motor Vehicles

- Loss or damage to motor vehicle
- Your legal liability
- Change of vehicle
- Attached trailer
- Protection for others



Expert Tip

To ensure you have an up-to-date inventory of your personal and business items, keep a photographic record of valuables. Where applicable, record the date, purchase price and serial number of each item on the back of the photo. Keep the photos in a fireproof safe or in a secure place away from your home.

General advice warning

Any advice in this article does not take into account any of your particular objectives, financial situation or needs. For this reason, before you act on this advice, you should consider the appropriateness of the advice, taking into account your own objectives, financial situation and needs.

Before you make any decision about the matters addressed in this article, you should obtain and read the Capricorn Mutual Product Disclosure Statement.



STAFF MEETING
MONDAY 8:30



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ADMIT ONE
932

Yes, please contact me about obtaining a quote.

Your Name: _____

Your Business Name: _____

Capricorn Society Member No: _____

Contact Telephone No: _____

Preferred contact time (if any): _____

Remember...
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