

Your Choice

October 2005



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Your Board of Directors



Capricorn Mutual Board — (L-R) Russell Green, Brian McGill, Wayne Negus (Chairman), Trent Bartlett, Peter Eastwood.

Capricorn Mutual is owned by its members, so it seems fitting that the majority of the Board of Capricorn Mutual are members themselves.

The Board is currently made up of five Directors: Wayne Negus (Chairman), Peter Eastwood, Brian McGill, Trent Bartlett and Russell Green. Chairman of the Board, Wayne Negus, played a leading role in the development of Capricorn Society and was one of the first to promote the potential for industry links with mutual membership and protection principles. He became the first member to join the Mutual.

Brian McGill is another Director who treasures his link with Capricorn Mutual, strongly believing that taking up Capricorn Mutual membership makes good business

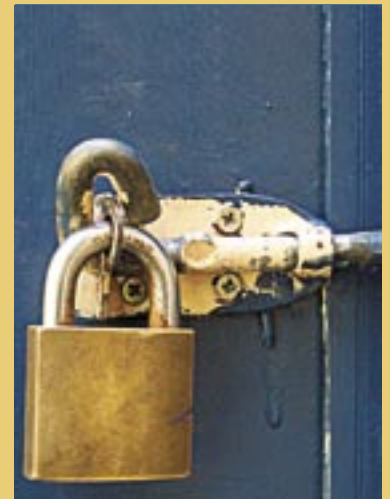
sense. Along with New Zealand Director Russell Green, who was a strong supporter of the Mutual from its initial planning stages, being part of the automotive industry has given these Directors a thorough understanding of the problems and risks faced by members.

Trent Bartlett and Peter Eastwood, although not Capricorn members, were voted in by Capricorn Mutual members for the expertise and experience they could lend to the Mutual. Capricorn Mutual Director and Capricorn Society CEO, Trent Bartlett, was instrumental in setting up the Mutual, wanting to make sure Society members had a viable insurance alternative. Peter Eastwood's solid background in accounting and insurance has given him skills that are put to good use by the Board.

The purpose of having a Board of Directors is for them to act on the member's behalf. Unlike insurance companies, the Capricorn Mutual Board has the discretion to consider all claims and will either accept, partly accept or reject applications by members for assistance and payment of their claim.

The Board also determines the contributions to be paid by each Member in respect of each financial year. These contributions make up the fund of the Mutual, from which the Board grants in its discretion.

The Capricorn Mutual Board is there to protect members and to ensure the Mutual is always run with the best interests of its owners (it members) at heart.



With the Christmas holidays just around the corner, now would be a good time to check that the security around your home is adequate for when you take that well earned break. This could be as simple as testing your security alarm, ensuring the lamps in your security sensor lights are working and making sure you have window locks on all your windows. Remember also to make sure you put any outdoor valuables in the garden shed and lock the door!

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CAPRICORN MUTUAL LIMITED ABN: 24 104 601 194 ACN: 104 601 194 AFS Licensee: 230038
75 Mill Point Road, South Perth WA 6151 Email: info@capricornmutual.com Australia: 1800 007 022 New Zealand: 0800 555 303
Design and production by Image 7 Group (#5345), +61 8 9221 9777.

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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).



Do you have Motor Vehicle pro

Category: MECHANICAL WORKSHOP
Claim Type: Public Liability
Date of Loss: 18/2/2005
Location: Auckland, New Zealand
Report Method: Telephone call to Claims Department
Claims Officers: Jo Gage and Ida Homer



18 February 05 PL210

Details: A Mitsubishi L300 van, which was fitted with a roof rack and a ladder secured to the side of it, was in for repairs at this mechanical workshop. The mechanic had placed the van on the hoist and started to raise it up in order to work on it. Not estimating the height of the vehicle properly, the mechanic raised the hoist too far, hitting the roof of the workshop and damaging the vehicle. The roof of the van was crushed, but repairable.

The member called Capricorn Mutual's claims department immediately to report the claim. Following the phone call, they filled in a claim form and sent it to the Mutual along with a quotation for repairing the vehicle and a letter of demand from the vehicle's owner. Capricorn Mutual assessed the claim and sent an offer of settlement to the customer of the vehicle. The member paid their excess to the Mutual and the Mutual then paid the panel beater for the repairs as authorised by the owner of the vehicle.

The total cost of the claim was \$784.28.

Category: PANEL BEATER
Claim Type: Storm Damage
Date of Loss: 16/5/2005
Location: Western Australia — Country
Report Method: Telephone call to Claims Department
Claims Officers: Jo Gage and Ida Homer



16 May 05

SD260

Details: The storms that hit Perth in May were horrific and caused irreparable damage to this panel beater's workshop. So much so that the building had to be destroyed and the member had to move premises.

The member called Capricorn Mutual on the day following the storms to make his claim and an assessor was sent out. The member had all of his workshop contents protected with Capricorn Mutual and was able to claim for all his office contents, vehicles and stock that was damaged in the storm.

Interruption to the member's business was obvious, and so to help the member get back on his feet as soon as possible, Capricorn Mutual organised a cash settlement so the member could purchase what was required as quickly as possible.

The total damage bill of the contents came to \$16,154.95.

Heartbreaking Break-ins

According to the Australian Bureau of Statistics, over seven per cent of households were victims of a break-in or attempted break-in last year. Add to this the number of break-ins that go unreported and this figure is closer to ten per cent of Australian households that face at least an attempted burglary each year — similar statistics to those found in New Zealand.

Burglaries are committed most often by young males under 25 years of age who are looking for items that are small, expensive, and can easily be converted to cash. In recent years, bulky items such as electronic goods, televisions and stereos have become less likely to be targeted in burglaries. Goods like televisions and VCRs have become a lot cheaper and are not as attractive a target as they were ten or 20 years ago.

The items most likely to be stolen in a home burglary are cash or smaller items that are easily transferable like jewellery and credit cards. Ease of distribution is also a priority, so portable items like CDs, mobile phones, laptops and small electrical appliances are also targeted in home burglaries.

Unfortunately, even with the best protection, personal effects and jewellery, which are the most common targets in burglaries, can not be easily replaced and often hold sentimental value much higher than their price ticket. It is the irreplaceable items such as wedding rings and family heirlooms that makes being the target of a burglary hurt the most.



Are you protected for loss or damage

Lock up Before You Leave

A lot of burglaries are spur of the moment, as a burglar may see an open window or other easy point of entry and take their chance. When you go out, make sure you always lock the door and close the windows — even if you are just going out for a short time. Don't leave spare keys outside or in a garage or shed, and put car keys or garage keys out of sight in the house.

How Secure is Your Home?

Home security is the best way to reduce your chances of being burgled. Spending money on security measures can seem daunting, but it will last a long time and can add value to your property.

- Window locks, especially on older windows, will help stop people getting in and a burglar is less likely to break in if they have to smash a window.
- If you have deadlocks, use them. They make it harder for a thief to get out again.
- Visible burglar alarms, good lighting and carefully directed security lighting can put burglars off.
- Fitting a 'spy hole' allows you to see who is at the door.
- Timers for lights and radios if you need to be away from home overnight help to create the impression that someone is in.

Note: Make sure that any security improvements you make don't stop you from getting out of your house as quickly as possible if there is a fire.

Entry Points of Choice

The most common point of entry for break-ins is the side or back of the house. The majority of break-ins reported cite the point of entry as through a door or through a window not visible to neighbours or passers-by.

A Burglar's Common Favourites

1. Jewellery
2. Cash
3. Watches
4. Laptops
5. CDs
6. Mobile phones
7. Small electronic devices



Contacts



AUST/NZ
Carol Richards
Manager
Liaison Officers
0408 901 407



WA
Narelle Tottman
0400 987 227



WA
Gary Weston
0439 528 600



WA
Sue Walker
0417 992 025



NSW
Tracy Young
0407 477 434



NSW
Maryanne Middlemiss
0408 992 188



QLD
Robert Pilgrim
0408 926 718



QLD
Grant Heard
0439 518 376



SA and NT
Bene Benic
0418 190 497



VIC
Tom O'Sullivan
0409 884 687



VIC
Neville Gordon
0439 923 200



VIC
Richard Nankivell
0400 045 356



VIC Area Manager
& ACT
Richard Hart
0408 992 885



NZ
Bob Edwards
021 800 449

Liaison Officer Profile



Name: **Tom O'Sullivan**

Position: **Liaison Officer, Victoria**

Phone Number: **0409 884 687**

Lives: **Williamstown, Melbourne**

Career History:

My first job was in the ANZ Bank, but after a couple of years I realised I wanted to learn to sell. I began selling for NCR, a large international business equipment company. I did very well with them, they had excellent training programmes, and you could say that is where it all started for me — selling-wise that is. Because of my love of cars, I then went on to sell new cars for a large Melbourne Ford Dealer. There I learnt a great deal about customer service and how to really look after your customers.

My grandfather had been a record breaking insurance salesman, both in England and in Australia. I had always admired him and felt that my previous work had given me the training and maturity to work for the AMP Society — I was right. I worked as a Life and General Insurance Agent with AMP for 26 years. AMP started as a mutual, so I had learnt from a young age the benefits of working for a mutual. I was able to grow with my clients from their small beginnings and I built up a large, diversified and successful business. I worked as an agent for AMP in Melbourne, Geelong and Adelaide before joining Capricorn Mutual in 2003 as a Victorian Liaison Officer.

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

My first big claim — I will never forget it. You don't understand or fully comprehend what a great business this is until you are involved in a larger claim. You are then able

to see first-hand the incredible difference we make to our member's life and future. When a member has a large claim (e.g. losing a their business to a fire or a much loved car from theft), we are the ones there to help, we write the check, we help to get things back on track — we make the difference.

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

My grandfather and my father who both had long and successful careers in the motor industry. I have also been lucky enough to work with and learn from some of the very best people in the Australian automotive industry.

What book are you reading at the moment?

Valentino Rossi. It is about what has motivated him to be well on the way to becoming the most successful motorcycle rider ever.

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

My mother spent her life doing nice things for me, my sister and my brother. I try to treat people the same way she treated us.

What do you do on weekends?

Mostly dining out with friends, spending time with my family and when I can, going to a quiet spot with the caravan.

What hobbies do you have?

Motor racing, socialising, caravanning and generally having fun.



Do you have enough Personal Acci

Tax Audits — Be Prepared

A tax audit or enquiry may be undertaken by the Australian Taxation Office (ATO) or New Zealand Inland Revenue Department (IRD) at any time in the life of your business. An audit involves an examination of your tax affairs to see if you have fulfilled your obligations under the current tax laws.

In the past, tax audits have been fairly infrequent and random. However, since the introduction of new tax systems, GST and BAS (Business Activity Statements), the likelihood of a business being targeted by the ATO, IRD or other regulatory bodies has never been higher. "Nothing is certain, but death and taxes," said Benjamin Franklin. He could well have added "and tax audits" because business owners should expect and prepare for an audit approximately once every four years.

Sometimes an audit may be as simple as a phone call or a letter requesting further information or clarification of a claim. In other cases, an audit officer may visit your business and conduct the audit on your premises. Officers may also contact other parties such as banks, employees, customers and suppliers to obtain information.

There are several kinds of audits that taxation departments conduct including:

- **Record-keeping audits:** audit officers interview taxpayers at their business premises to ask questions about their record-keeping procedures. They may also examine their records. Where irregularities are found, further audits may follow.
- **Wage, salary and contractor payment audits:** audit officers visit employer premises to examine PAYG records.
- **Desk audits:** small business owners and salary earners are asked to substantiate expenses claimed in their tax returns within 28 days. If claims for the most recent return



are found to be incorrect, audit officers may request substantiation for earlier years.

- **Business audits:** the books of small companies, trusts and partnerships are inspected to establish the nature of all transactions. Audit officers will usually require substantiation of income and expenditure.

Having a tax audit can become a very costly and time-consuming exercise. Tax Audit Protection entitles you to claim for professional fees incurred during the period of your protection. Successful claims against a tax audit protection can save a business owner thousands of dollars in expenses in response to a tax audit by a regulatory body.

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.

Member Profile

Member Name: **Frenchy's Auto Repairs**

Location: **St Georges Basin, New South Wales**

Number of Employees: **Nine**

Type of Business: **Mechanical Workshop/Service Station**

Phone number: **02 4443 4099**



The team at Frenchy's Auto Repairs.

When did you become a Capricorn Mutual member?

In April 2004.

Why did you choose to become a Capricorn Mutual member?

When we bought our business, we discussed Capricorn with the previous owner, and thought it sounded like a great thing to be a part of for our business. We then talked to the Capricorn Society liaison officer about the full benefits of the Society and decided to join. Very soon after, we spoke with Capricorn Mutual about the protections that they could offer us and decided to become a member of the Mutual as well.

What is the best part about being a member of the Mutual?

We made a claim in the first year that we joined the Mutual, and they could not have been more helpful, informative and prompt. It was the first time that we have ever had to make a claim, and they were very understanding. So we definitely have the piece of mind that we are protected if something goes wrong. In the end it really saves us time and money — isn't that what it is all about?

Capricorn Mutual works for me



The Insurance Alternative



... and me

... and me

... and me

... and me

... and me



Daiman Clarke,
McLaren Motor (Hire 'n' Drive), WA.

Capricorn Mutual Limited | ACN: 104 601 194 | AFS licensee 230038 | 75 Mill Point Road, South Perth WA 6151 | info@capricornmutual.com

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