

YOUR CHOICE

MAGAZINE

08

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CAPRICORN
MUTUAL





Greg LeGuier, Trent Bartlett & Paul Koronka

AN EXCITING NEW JOURNEY – CAPRICORN MANAGEMENT OF YOUR MUTUAL

On 1 May 2008 Capricorn Mutual Limited (Mutual) has commenced the next stage of evolution.

Your Mutual's management contract with Charles Taylor Consulting (CTC) has concluded, and in accordance with existing plans, the Board of the Mutual, has agreed that the management be brought in-house, and has appointed a newly established, wholly owned subsidiary of Capricorn Society Limited (CSL), Capricorn Mutual Management Pty Ltd (CMM) as its corporate authorised representative and manager.

CMM has been formed by Capricorn to especially manage your Mutual.

We are delighted to confirm that 100% of the former CTC staff throughout Australia and New Zealand have been employed by CMM.

Capricorn recognises the value of the individual contributions of all Mutual staff serving our members and the importance of maintaining continuity of operations for our members. As a member of the Mutual you will continue to be looked after by the same dedicated team led by our Operations Manager, Carol Richards.

The Mutual, through CMM, will continue to have access to United Kingdom (UK) based mutual management and technical expertise, through an agreement concluded with Mr

Paul Koronka, a former CTC Executive who has established a significant specialist mutual management public company, Regis Mutual Management Limited (Regis) in conjunction with a UK based commercial insurance company.

Capricorn and Regis combine their talent and management expertise through CMM to better serve you as members of the Mutual.

The Board of Directors of your Mutual management company, CMM, is comprised of Trent Bartlett (CEO of CSL), Paul Koronka (CEO of Regis) and Greg LeGuier (CFO of CSL).

We look forward to the exciting growth journey ahead – that follows the launch, nurturing and building of the Mutual over the past five years into the wonderful success story it is today.

The Board of the Mutual and CMM looks forward to enhancing operations and growing the financial strength of your Mutual as we move forward with the Mutual and its management firmly part of the Capricorn Family.

Greg LeGuier
Director
Capricorn Mutual Management Pty Ltd



COVER



Read more on how to minimise claims for your business on page 4.

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This magazine is not an offer to issue a financial product. An offer of membership of Capricorn Mutual Limited and the protections it offers to members is at the discretion of Capricorn Mutual Limited and will only be made on receipt of the required application forms. Capricorn Mutual is currently available to Australian and New Zealand members only.

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); or by visiting us online at www.capricornmutual.com

CLAIMSCHATTER



Category: Service Station
Claim Type: Products Liability - Retailer
Date of Loss: 18/03/08
Location: Crib Point, Victoria
Report Method: Telephone call to Claims Department
Claims Officer: Janelle Christmass

The member's customer suffered damage to his vehicle as a result of diesel purchased from the member. Upon further investigation, it was discovered that while the customer was refuelling his vehicle from the bowser, the large fuel storage tank itself was in the process of being refilled causing dirt, water and contaminants from the bottom of the tank to be churned up and dispensed into the customer's vehicle. The member had then arranged for the customer's vehicle to be repaired. The claim was reported to Capricorn Mutual on 27/03/08 and the

claim form, letter of demand and necessary invoices were received on 15/04/08. An assessor was appointed to determine liability and assess the resultant damage to the vehicle. The member was re-imbursed for the cost of repairs less GST and excess on 24/04/08. The total cost of the claim was \$3,994.55.



Category: Mechanical Workshop
Claim Type: Customer Motor vehicle
Date of Loss: 17/04/08
Location: Burleigh Heads, Queensland
Report Method: Telephone call to Claims Department
Claims Officer: Ida Homer

The member was test driving a customer's vehicle when he had to take evasive action to avoid a vehicle that failed to give way. The vehicle went into a gutter and slammed into and along a wire mesh fence. The claim was reported to Capricorn Mutual on 18/04/08 and an assessor was appointed immediately. A fully completed claim form and repair quote were received on 23/04/08. The assessor's report was received on 25/04/08 and it was determined that the vehicle was a Total Loss. A settlement was negotiated with the customer and a release form was e-mailed for completion. The

member elected to pay his excess contribution via his Capricorn Society account and the authority was also e-mailed. The settlement to the member's customers was direct credited to his bank on 06/05/08. The total cost of the claim was \$13,000.



Category: Panel Repair Workshop
Claim Type: Business Interruption
Date of Loss: 14/03/08
Location: Moorooka, Queensland
Report Method: Telephone call to Claims Department
Claims Officer: Janelle Christmass

Fire destroyed a building adjacent to the member's premises. The member had been instructed to vacate their premises as a result of structural damage sustained to an internal fire retardant partition wall. He was forced either to relocate spray booths or build new booths in situ. An assessor was appointed immediately to adjust the loss and determine the most cost effective method to assist the member to begin trading as soon as possible. It was determined that it would be better for the member to erect a new spray booth in his new

premises and payment towards this cost was direct credited to the member's bank account on 11 April 2008. After collecting the necessary accounting information, further payments for Loss of Gross Profit up to 31 March and 30 April 2008 were direct credited to the member's account on 28 April 2008 and 15 May 2008. This claim is still ongoing and Capricorn Mutual will continue to assist the member during the benefit period.



How to minimise claims

“Capricorn Mutual is member-owned and entitlements are at the discretion of the Board, who are member-elected.” These words will be very familiar to many Capricorn Mutual members and can become a cliché, especially when they are heard on a regular basis when speaking to a Capricorn Mutual staff member over the phone.

However, the Capricorn Mutual Claims Department really do take these words to heart. We are very aware that we are responsible for the members’ money and following the provisions of the Product Disclosure Statement is something that is necessary. We, as representatives of the Mutual, have an obligation to settle claims in a manner which is fair to all its members. Our members are the shareholders of the Mutual.

While we aim to make the claims process as pain-free as possible, it’s even better when members can avoid the need to claim through good risk management and prevention strategies. Some examples of common claims include:

- Vehicles involved in accidents on test drives and also accidents involving younger inexperienced drivers. Quite often damage is sustained to multiple vehicles and/or property belonging not only to the member, but also their customers as well as other drivers. These claims can be lengthy as well as expensive. Some of these instances could be avoided if more care was taken by the driver and also if more caution is exercised as to who is allowed to drive these vehicles.
- Another area where claims often arise is on the business premises. Instances occur where customer vehicles are reversed into objects or other vehicles. Vehicles fall off hoists, objects fall on vehicles and quite often vehicles are driven with doors or bonnets open. All these claims could be avoided if more care was shown by staff members when dealing with customer’s property.
- Public liability claims often arise as a result of faulty workmanship. These claims are time consuming as they require a great deal of paperwork both at lodgement and at settlement, are lengthy and quite often require further investigation. Assessments are carried out to determine whether our member is responsible and if so, what part of the job is protected. Any ambiguity in the cause of the damage or possible omission by the member may give rise to an acceptable claim as the present legal environment and consumer legislation favours the customer. A high standard is set for duty of care.

This whole process can be frustrating as our members have an obligation to their customers as well as to fulfil their warranty obligations. Often this involves a financial outlay both in labour and time before the Mutual is even advised. In complex cases, where liability is disputed, Capricorn Mutual has the ability to appoint legal representatives



BUSINESS INTERRUPTION PROTECTION

to defend the case on behalf of the member and if necessary reach settlement with the third party. Sometimes just a small error or omission can have serious consequences.

Despite these challenges, Capricorn Mutual has a great deal to offer. We are unique and we can understand our members and the environment in which they operate. We look forward to growing and working with our members in the future.

**Chris Nessel Spray Painting
Warren Sneddon**

**Location: Moorooka, Queensland
Phone Number: 07 3392 7255**

What situation have you recently been involved in where your Business Interruption Protection was vital?

In March the business located adjacent from our workshop had a big fire which damaged our property quite severely as well. Generally our plant equipment was not damaged; however, the property was half destroyed. Because the building was so damaged it will take approximately 6 to 9 months for the electricity to be restored. This caused that we have had to move to another property which obviously incurred a lot of costs on our business. Just the moving costs by itself were around the \$40,000 mark, I am not sure of the total costs of setting up our new workshop yet.

What benefit have you experienced in that time from having Business Interruption Protection?

This has basically saved our business. Without that protection our business would no longer exist. The Business Interruption Protection helps us to deal with the day-to-day running costs of our business.

I was very pleased to find out that the way I understood the protection, was exactly the way it worked out in real life.

Do you have a tip for other members in this situation?

Talk to your local Capricorn Mutual Liaison Officer who will be able to give you an insight into how this protection works in any given situation. You can then decide how this will work for you and your Liaison Officer will assist with any questions you may have.

To learn more about Business Interruption Protection, call your local Liaison Officer or call 1800 007 022 (Australia) / 0800 555 303 (New Zealand).

YOUR REPRESENTATIVES

LIAISON OFFICERS



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SA & NT
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0418 190 497



NZ
Bob Edwards
021 800 449



NZ
Mike Sale
021 833 070

PROFILE



Gayle Proudfoot

Position: Claims Officer

Phone Number: 1800 007 022

Lives: Perth, Western Australia

Can you summarise your career background before deciding to join the Capricorn Mutual staff?

I have worked in the banking industry for 15 years and in the finance industry for 8 years. My interest and experience in this sector led me to insurance and Capricorn Mutual has been a great development in my career. I started here 5 months ago and am really enjoying the role.

What do you hope to achieve as a Claims Officer?

As a Claims Officer I hope to continue to have a rewarding career by assisting members in need. Being able to help out Capricorn Mutual members when they are involved in difficult situations that have damaged their business makes my job very meaningful. We offer prompt accurate service with quick solutions for our members.

What do you think is the best thing about Capricorn Mutual?

Within Capricorn Mutual I have experienced a very friendly atmosphere, which is something our members benefit from as well as we cooperate very effectively. Capricorn Mutual is also very committed to its members, we are aware of the importance of maintaining a healthy relationship with each member. The tool to offer our members the best service, is knowing your products. By offering the correct information to our clients we can provide the best assistance in managing a claim.

What hobbies/interests do you have?

Outside of work I enjoy painting, walking and bike riding very much. I love being outdoors whenever I can. I have also travelled quite a lot and hope to continue travelling overseas in the future. My next trip will hopefully be to Russia. My favourite destination is Italy.

RENEWALS OFFICERS



Renewals Manager
Narelle Tottman



WA & ACT
Alana Jasper



QLD & SA
Richard Nankivell



VIC
Carrie Price



NSW & NZ
Joe Peterson

Paradise Auto Parts

Location: Para Hills West, South Australia

Number of Employees: 14

Type of Business: Automotive recycling of vehicles

Phone number: 1300 869 632

Fax number: 08 8258 9995



How long have you been a member of Capricorn Mutual? What made you decide to join the Mutual?

We have only been a member for three months. Capricorn is an important part of our business, we are committed to delivering excellent service to our Capricorn customers, and we as a business have the same expectations from Capricorn Society and Capricorn Mutual. At the end of the day, I decided to join because they offer better service and prices.

What has your experience of the Mutual been, in comparison to traditional insurance services?

So far our experience has been really positive.

Tell us a bit about your business - how would you describe it?

We have brought the auto parts recycling business into the new millennium in South Australia. Our 4,500 square metres of floor space holds thousands of cleaned, checked, catalogued and warranted parts.

We purchase damaged salvage, and have a streamlined process where the vehicles are dismantled, computer inventoried, and warehoused in our undercover premises. We don't keep all of the parts, our computer system tells us what we need to restock into the warehouse, and the rest gets recycled.

We have the capacity to supply crash repairers, mechanics and owners of vast fleets with the same fast, efficient service.

How would you rate Capricorn Mutual's response and service to you as a Member? And your Liaison Officer?

We have a great Liaison officer; he returns all his calls and is very informative. He really can't do enough for me.

Have you needed to make a claim with Capricorn Mutual? If so, what was the experience like?

We made our first claim two weeks ago; it was very simple and easy process.

GET ONLINE TODAY

Capricorn Mutual's website is designed to make life more convenient for members like you — giving you easy access to the latest news and information relevant to your protections.

Here's just some of the advantages our website has to offer:

- 24 hour access, for those times when you can't phone us during office hours. Just go to the 'Contacts' section and a link lets you send an email to us. A Mutual representative will then respond to your query and contact you — allowing you to contact us at any time of the day.
- Information at your fingertips. As well as being able to email us your queries, you can also request a quote on our range of business and personal protections. Just fill in the online form and we'll contact you at a time that suits you. You can also find out about the benefits of joining the Mutual along with the range of risk protection on offer.
- Download important documents. Our website gives you quick, easy access to legal documents like the Product Disclosure Statement and Financial Services Guide.
- Access Membership Publications. There are even copies of previous Your Choice magazines to read through, as well as handy tips to help protect your business and personal assets.

So if you haven't visited us on line yet — log on to www.capricornmutual.com today!



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Capricorn Mutual Your Insurance Alternative

www.capricornmutual.com

1800 007 022 (Australia) 0800 555 303 (New Zealand)

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