

YOUR CHOICE

M A G A Z I N E

FEBRUARY 2009

**WEATHERING THE STORM -
HOW TO DEAL WITH TOUGH
ECONOMIC TIMES**

CAPRICORN
MUTUAL





Carol Richards

NEW YEAR, **FRESH** START

Capricorn Mutual Limited is looking forward to an exciting 2009, with a new Product Disclosure Statement, new operating systems, and a new home to reside in.

During 2009 Capricorn Mutual Limited will distribute a revision of its Product Disclosure Statement.

The new Product Disclosure Statement will provide some increased benefits and existing protections will be clarified and easier to understand.

This comes at a time when our IT systems which will administer this new and improved Product Disclosure Statement is rolled out, enabling our staff to provide you with an even higher level of service, both in the claims area and when you are calling us to add protections. And then there is our relocation to 34 Welshpool Road, Welshpool. These offices were Capricorn Society's original home up until 1995, when they outgrew the premises

and moved to Burswood Road, Victoria Park. After the recent refurbishment Capricorn Mutual Limited are poised, ready to move in within the next month or so.

So if you are passing, please feel free to drop in and say hello.

I trust most of you are well rested and by now have returned to work after the Christmas break. We at Capricorn Mutual are conscious of the economic climate that is sweeping the country, coupled with the burden of back to school expenses thrust upon some of you, and we will continue to offer you the value for money you have come to rely on for your risk protection.

Kind Regards,
Carol Richards
Operations Manager

COVER



Read more on how to deal with tough economic times on page 4.

Your Choice is published by Capricorn Mutual Limited.

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Design and production by Image 7 Group (#8004), +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); or by visiting us online at www.capricornmutual.com

CLAIMSCHATTER



Category: Private
Claim Type: Home Contents
Date of Loss: 08/10/08
Location: WA
Report Method: Telephone call to Claims Department
Claims Officer: Janelle Christmass

Details: The Member advised that the washing machine had overflowed and flooded the laundry, passage and one bedroom. Attempts were made to dry and clean the carpet, but after a day the carpet started to smell and a big brown stain had formed. The Member then removed the carpet and underlay and stored for them for future inspection.

A completed claim form and replacement quote were received on 14/10/08. Replacement of the carpet was authorised on 17/10/08. The carpet repairer was paid, less the excess, on 27/10/08. The total cost of the claim was \$796.00.



Category: Motor Vehicle Dismantler
Claim Type: Goods In Transit
Date of Loss: 03/11/08
Location: SA
Report Method: Telephone call to Claims Department
Claims Officer: Gayle Proudfoot

Details: The Member arranged to provide a new Toyota engine to a customer in Perth. The engine was transported to the Member's premises in South Australia from Sydney. It was then sent on to the customer in Perth. Apparently the engine was heavily wrapped and Member's employees failed to notice the damage when delivered and duly signed the electronic screen before dispatching the engine to Perth. The customer refused to accept the engine and sent it back to the Member. The transport company also refused to accept liability for the damage as the Member did not have an extended warranty

and the delivery docket was signed confirming that the goods were received in good condition. The claim form and documentation were received on 21/11/08. Photos of the engine and copies of the transport company terms and conditions were received on 27/11/08. The Member opted to retain salvage of the damaged engine and these values were investigated on 02/12/08. Payment was made to the Member for the cost of the engine less GST, excess and salvage on 08/12/08. The total cost of the claim was \$3,118.18.



Category: Auto Electrical
Claim Type: Business motor vehicle
Date of Loss: 19/10/08
Location: NZ
Report Method: Telephone call to Claims Department
Claims Officer: Gail Maddocks

Details: The Member reported on 20/10/08 that they had inadvertently reversed their light truck into a third party vehicle, damaging the right front corner. No damage was sustained to the truck itself. The third party lodged a claim with their own insurer and Capricorn Mutual handled the claim on the Member's behalf. Third party costs were

received on 03/11/08 and a completed claim form on 05/11/08. The Member opted to pay their \$250 excess via their Capricorn Society account and a completed excess authority form was received on 11/11/08. Payment was processed to the third party insurer on 11/11/08. The total cost of the claim was \$975.94.

Weathering The Storm

How to Deal with Tough Eco

The global economic downturn has a great impact on small businesses; increased pressure on the bottom line, and a decline in custom. Here are some tips on how to survive the downturn in the economy and prepare to thrive in the upturn.

How to ensure 2009 will be a good year for your business.

Exposure

How exposed is your business right now? Make sure you only get involved with suppliers and customers that benefit your business and can pay their bills on time. Also, have a plan for alternative sources of income when major sources fold.

Plan

Planning is the key to dealing with tough times. Develop a week by week plan for the next three months. By writing it out, you will clear your head and create an overview of what you can expect and what your priorities are.

Cash flow

Temporary cost cutting is fine, as long as it does not damage relationships essential to the long-term performance of your business. Take a look at your inventory – are you holding on to much stock, is the stock your purchasing too high and can you find a more cost effective supplier? The old adage 'You have to spend money to make money' often applies. Do not cut costs if it is going to jeopardise your business prospects of winning new or potential customers.

Sales

focus on the positive and value your current customers while making the most of new opportunities. Start thinking laterally and talk to your customers, suppliers and competitors. Work hard to keep your customers and don't cut investments on good quality service and products. Any spare time you have, you should spend in over-servicing your best customers. Keep your eyes peeled on market developments as turmoil often creates as many opportunities as it creates challenges.

(Source: This information is based on articles of the CPA Australia website. CPA Australia is one of the world's largest accounting bodies with a membership of more than 122,000 finance, accounting and business professionals across the globe. In areas of financial reporting, taxation and corporate governance CPA are thought leaders in Australia and internationally.)



conomic Times

MONEY MANAGEMENT

The best place to begin preparing for a downturn is to work towards where you want your business to be when things pick up again. There are a couple of things you can ask yourself to create a clear picture of your goal:

1. Are there better ways to structure the business?
2. What type of customers do I want to work with?
3. How will I market/sell our products and services?
4. What resources will I need to deliver products and services and how will I deliver them?
5. Where will I operate your business from?

6. What price and cost structure will exist?
7. How will our business be funded? Will external funding be required or will it be self-funding?

Once you have an idea of what your ideal business looks like, you can start looking at running costs and how it can be managed financially. A review of your Profit and Loss Statement for the 2007 – 2008 financial year is a good starting point.

Work your way through every line item on the statement to ensure that you're aware of every cent that is spent. Look at every line item and ask yourself the question; "How can

we do this better, more efficiently and more effectively?" It may seem time-consuming and tedious to do so, but every cent saved now can help you reach your goal.

Remember that every dollar saved is a dollar saved on the bottom line, while every extra sale may only be a matter of cents on the bottom line after costs and overheads are taken into account.

(*Source: This information is based on articles of the Flying Solo website. Flying Solo is Australia's community for small businesses.)

YOUR REPRESENTATIVES

LIAISON OFFICERS



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Gary Weston
0439 528 600



WA
Sue Walker
0417 992 025



NSW
Tracy Young
0407 477 434



NSW & ACT
Maryanne Middlemiss
0408 992 188



NSW
Greg Cook
0407 991 812



VIC
Richard Hart
0408 992 885



VIC
Tom O'Sullivan
0409 884 687



VIC
Neville Gordon
0439 923 200



QLD
Grant Heard
0439 518 376



QLD
Robert Pilgrim
0408 926 718



SA & NT
Andrew Fitzpatrick
0418 190 497



NZ
Bob Edwards
021 800 449



NZ
Mike Sale
021 833 070

PROFILE



Heather Morgan

Claims Officer

Phone Number: 1800 007 022

Lives: Perth

What is your professional background?

I have always been involved in customer service and my main experience was gained working at RAC Insurance in WA. I began as a Recoveries Claims Officer but moved into People Development and Training.

What are your key responsibilities at Capricorn Mutual Limited?

As we have an Australian Financial Services Licence and are regulated by ASIC, my work involves a lot of monitoring to ensure that we meet our obligations and to ensure that we are giving our members great service. .

Training new staff when needed and keeping monthly records of training for all our staff, is a big part of my role. I also audit member files and claim files to ensure we are doing the right thing by our members.

What do you see are the main differences between Capricorn Mutual Limited and other insurance companies and other mutuals?

Capricorn Mutual is focused on the motor trade so our members are receiving our expertise in this area which will enable them to have accurate levels of protection.

What are your professional aims?

I am hoping to expand my knowledge in compliance so I can continue to ensure Capricorn Mutual is adhering to our licensing obligations.

What are you passionate about, sport, hobbies, travelling etc?

Travelling has always been a big passion of mine and I have travelled to many places all over the world. Also cooking and art are things I love as well as spending time with my friends and family.

RENEWALS OFFICERS



WA & ACT
Alana Jasper



QLD & SA
Richard Nankivell



VIC
Carrie Price



NSW & NZ
Joe Peterson

MEMBERPROFILE

All Niss Auto Salvage

Location: Dandenong South, Victoria

Number of employees: 7

Type of business: Mechanical workshop

Phone number: 03 9791 5500

Fax number: 03 9706 9263



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

We became a member of Capricorn Mutual approximately three and a half years ago. Not long after Capricorn Society initiated this service. We felt comfortable knowing that the people with so much knowledge of our industry were offering protection.

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

Very good. Ever since we became a Member, we have not needed to look around for alternatives. They have always offered competitive rates.

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

I started a small dismantling business with my wife, Hana, in 1988. After six years, we moved to larger premises to accommodate the

growth of our business. Nowadays, we have purpose built premises which has been a great move for our business. We have seven employees including a delivery driver. We specialise in Japanese and Australian models, excluding Daihatsu, Subaru and Honda.

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

Excellent, everyone we've dealt with has always been very helpful.

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

We have not had to file any claims to date although our first one might be coming up due to a minor accident earlier this week.

CARING FOR THE CUSTOMER

Your customer's property is the reason why you are in business. Many professional automotive people treat the customer's property as though it were their own. Here are some tips that may be useful in your business:

- Make sure the customer's vehicle is parked so as to minimise any potential parking damage.
- Point out any pre-existing body damage to the customer before the vehicle is left with you and record the details.
- Ask the customer to remove any property or valuables from their car before they leave.
- Be certain service records on all lifting equipment are current and all operators know that any problem has to be reported immediately.
- Secure the wheels of vehicles on hoists and ensure safety restraints are in place.
- Use fender protectors when you are working under the bonnet.
- If working inside the vehicle protect seats, carpets and controls from dirt.
- Treat the customer's cars with respect when road testing.
- If a vehicle is to be kept overnight, ensure it is locked up and stored securely.
- If you have driven the customer's vehicle, ensure the customer adjusts the driver's seat and mirrors before driving away.

You can count on ...

Capricorn Mutual Your Insurance Alternative

www.capricornmutual.com

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

free fax 1800 833 790 (Australia) free fax 0800 555 403 (New Zealand)

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