

# PRODUCT DISCLOSURE STATEMENT



## PART 1 — INTRODUCING CAPRICORN MUTUAL

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This is Part 1 of the PDS dated 4 September 2003 issued by

**Capricorn Mutual Limited**

ABN 24 104 601 194

AFS Licensee No 230038

75 Mill Point Road, South Perth WA 6151

Australia: 1800 007 022

New Zealand: 0800 555 303

# INTRODUCING CAPRICORN MUTUAL

## WELCOME TO CAPRICORN MUTUAL

This Product Disclosure Statement (PDS) is an important legal document that contains details of the protections available to members of Capricorn Mutual Limited (Capricorn Mutual).

### What is a Product Disclosure Statement?

This PDS is designed to help you understand what you need to know about Capricorn Mutual so that you can make an informed choice about whether or not to join Capricorn Mutual and apply for the protections available to its members.

Before you make your decision please read this PDS and its attachments carefully. This document, the Constitution, Rules, summary of protections and the direct debit form are all part of Capricorn Mutual's PDS. Each of these documents when combined together form the PDS so it is important that you read each part.

If you decide to apply for membership of Capricorn Mutual please contact us for a quotation on the protection you require. If your application is accepted and you decide to join and take the benefit of protection with us, the cost of the protection you select and the level of protection granted to you will be set out in your Schedule of Protection. Your Schedule of Protection will include any government charges that may apply. The types of costs, fees and charges that you might have to pay are all explained in this PDS.

Once you have read all the documents in the PDS you should keep them in a safe place for future reference.

# INTRODUCING CAPRICORN MUTUAL

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# INTRODUCING CAPRICORN MUTUAL

## 1. What is Capricorn Mutual?

Capricorn Mutual is a member owned, member driven, not-for-profit organisation specifically formed to address the needs of Capricorn Society members. It is a mutual that has been created to use 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.

A mutual is an association of people with common risks or goals who pool financial resources to meet common financial obligations. The pooled resources of a mutual are used to meet the agreed financial risk obligations of each member of the mutual. A mutual is owned by its members. Each member has one vote regardless of the financial commitment made to the mutual. Capricorn Mutual is a discretionary mutual. A discretionary mutual is a mutual where a member's entitlements are at the discretion of a person or people appointed by the members. The Board of Directors of Capricorn Mutual has been appointed for this purpose. The Board is drawn mainly from the membership of Capricorn Society so the Board has an understanding of the needs of the members and the business and personal risks that they face.

Capricorn Mutual has the discretion to decide whom to admit to membership and the discretion to decide whether or not to accept a member's application for protection. Only Capricorn Society members are entitled to apply for membership of Capricorn Mutual. Members of Capricorn Mutual have the right to have a claim for protection considered by the Board and the Board has the discretion to grant a member's claim for protection.

Only members of Capricorn Mutual are entitled to make a claim on Capricorn Mutual. This means that its members are not subsidising the cost of claims made by people outside the automotive industry.

Members can have a legitimate expectation that all valid claims will be paid if the claim comes within the wording of the protection. However, the Board has the discretion to refuse a claim if it believes that the claim has been caused by conduct that the membership of Capricorn Mutual would regard as reckless or unacceptable to the automotive industry. Each claim will be considered on its merits and circumstances.

The Board of Capricorn Mutual represents the members and as such the members of the automotive industry. Directors are themselves a part of the industry, with a thorough understanding of the problems and risks faced by members and so are likely to be sympathetic in a way that is different to people from outside the industry.

The discretion also allows the Board to exercise its power so that in unexpected or special or unusual circumstances it may pay claims, which would ordinarily be excluded.

## 2. Management of Capricorn Mutual

Capricorn Mutual has appointed Charles Taylor Consulting (Australia) Pty Ltd (CTC) to manage Capricorn Mutual and to assist in the handling of claims by members. CTC and its employees are authorised representatives of Capricorn Mutual. CTC's Australian Financial Services (AFS) authorised representative number is 232392.

CTC receives a fixed annual management fee for the services it provides to Capricorn Mutual. CTC does not receive any commission or any other payment for its services. Details of the financial services that CTC is authorised to provide on behalf of Capricorn Mutual are set out in CTC's Financial Services Guide.

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## 3. Who regulates Capricorn Mutual?

Capricorn Mutual is regulated by the Australian Securities and Investments Commission (ASIC) as a financial services provider of mutual risk products and holds an AFS licence. To obtain an AFS licence Capricorn Mutual had to submit detailed financial accounts to ASIC demonstrating that it had sufficient capital and financial reserves.

One of its key licence conditions is to always have assets that exceed its liabilities which means that it is required to provide ASIC with its audited accounts and to report to ASIC if at any time it is unable to meet its licence conditions. Because Capricorn Mutual is an AFS licensee with retail clients it is also regulated by ASIC in terms of the disclosure documents that must be supplied to members. This PDS is one of those documents.

## 4. The Board of Capricorn Mutual

The Constitution of Capricorn Mutual requires that the majority of the Directors be members or directors of Capricorn Society and that they be nominated by the Board of Capricorn Society. The Directors may appoint a non-executive Director who is not a member or director of Capricorn Society.

## 5. Why does the Board have a discretion?

By offering membership and protections that are discretionary Capricorn Mutual is able to offer its members a financial product for management of personal and business risks without establishing an insurance company. Members are assured that the Board's discretion will be exercised cautiously, on the recommendation of CTC and only in circumstances in which the Board believes that the Capricorn Mutual members would expect it to exercise its discretion.

The Australian Prudential Regulatory Authority (APRA) regulates insurance companies not discretionary mutuals such as Capricorn Mutual. Because it is not an insurance company Capricorn Mutual is not subject to APRA regulation and it is not required to be authorised under the Insurance Act to conduct insurance business. For this reason it is not subject to the provisions of the Insurance Act which establishes the system of financial supervision of general insurers.

Because it is the provider of miscellaneous mutual risk covers, Capricorn Mutual is regulated only by ASIC and is subject to its supervision.

## 6. Constitution of Capricorn Mutual

The Constitution of Capricorn Mutual sets out the objectives of Capricorn Mutual, its powers as a company limited by guarantee (in the event of winding up) together with the rules governing eligibility of members, election of Directors and conduct of general and extraordinary meetings of members.

Under the Constitution the Board is empowered to publish Rules governing the day-to-day operation of Capricorn Mutual.

## 7. Rules of Capricorn Mutual

The Rules of Capricorn Mutual form part of this PDS. The Rules are made by the Board of Directors. Please read them carefully.

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The Rules set out the way that Capricorn Mutual business is to be conducted on a day to day basis. They have been drafted to ensure that all members are treated equally and fairly. They set out the basis for the following:

- (a) Discretionary Nature of Protections
- (b) Membership
- (c) Right of Recovery
- (d) Entry
- (e) Period of Protection
- (f) Application of Contributions
- (g) Application of Funds
- (h) Contribution
- (i) Amounts due to the Mutual
- (j) Release
- (k) Recovery of Contributions
- (l) Scope of Entry
- (m) Risks Protected
- (n) Exclusions Limitations and Warranties
- (o) Risks Specifically Excluded
- (p) Limits
- (q) Claims
- (r) Cessation of Protection
- (s) Funds of the Mutual
- (t) Closing of Financial Years
- (u) Reserves
- (v) Investment
- (w) Disputes and Differences
- (x) Governing Law

### **8. Membership of Capricorn Mutual**

Membership of Capricorn Mutual is at the discretion of the Board of Directors of Capricorn Mutual. When considering an application for membership the Board will apply the guidelines for membership developed by CTC. CTC will use its experience in developing and managing mutuals to develop guidelines appropriate to Capricorn Society members.

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Once you have been accepted as a member of Capricorn Mutual and paid your membership subscription you will be issued with a Certificate of Membership stating your Capricorn Mutual membership number. You must quote this membership number on all your correspondence and in all your contacts with us.

The annual subscription for membership to Capricorn Mutual is \$10.

## 9. Your Certificate of Membership

If your application to join Capricorn Mutual is successful and your membership is granted you will receive a Certificate of Membership. This will set out your membership number and the period when your membership is valid. You must be a member of Capricorn Mutual to be eligible to apply for protection with Capricorn Mutual.

When you receive your Certificate of Membership please check the details carefully and notify us immediately if there are any changes needed.

## 10. Membership protections

Capricorn Mutual offers you a choice of protections for your personal and business risks and the costs associated with those risks. Capricorn Mutual refers to the benefits it offers as protections to highlight the fact that it is offering an alternative to insurance.

You can select from a range of protections offered by Capricorn Mutual. The different protections available to members of Capricorn Mutual and the terms, conditions, exclusions and the factors relevant to calculating the cost of contribution for each protection are all set out in this PDS.

The Board of Directors of Capricorn Mutual has a discretion to accept your application for protection and to set the cost of contribution payable by you for each protection you have successfully applied for. In considering your application the Board will be assisted by CTC and the guidelines it has developed. The cost of each protection will be calculated by CTC and approved by the Board.

Your Certificate of Membership and the Schedule of Protection will be sent to you after your protections have been accepted. Once the Board accepts your application for protection, your protection will be valid for 12 months and you will be eligible to renew that protection on the anniversary of the date on which the protection started. Your ability to renew your protection will be subject to your renewal of your membership of Capricorn Mutual and will be at the discretion of the Board. Your period of protection will be for twelve months beginning on the date your protection started and ending at the time and day stated in your Schedule of Protection.

For more information about the Certificate of Membership see section 9 of this PDS.

If your application for protection is successful you will be asked to pay the contribution for each of the protections. The amount of the contribution will depend on the risks that you want to protect and the protections you have selected.

For more information on the protections offered, see Part 5 (Business Protections) and Part 6 (Personal Protections) of this PDS. These sections include details of what is protected and what is not protected by Capricorn Mutual, and the limits of the protections offered. For more information on the payments of contributions to Capricorn Mutual see section 12 of this PDS.

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### 11. Protection available to members

As a member of Capricorn Mutual you may select from the following protections:

#### **Business**

- (a) Business Buildings
- (b) Business Contents
- (c) General property
- (d) Theft
- (e) Engineering
- (f) Business Interruption
- (g) General Public and Products Liability
- (h) Money
- (i) Personal Accident and Illness
- (j) Assault
- (k) Goods in Transit
- (l) Motor Vehicles
- (m) Professional Protection
- (n) Tax Audit Expenses
- (o) Legal Expenses

#### **Personal**

- (p) Home Building
- (q) Home Contents
- (r) Motor Vehicles

### 12. How contributions are assessed

You are able to select the protections you require according to your personal and business risks. If your application for these protections is successful you will be required to pay a contribution for each protection. If you pay by monthly instalments your contribution will be the total annual contribution payable by you as shown on your Schedule of Protection. There is no insurance premium paid by members.

Details of your contribution for each protection will be shown on your Schedule of Protection. The Schedule will also show any government taxes such as GST, duties and charges payable by you. The total amount of your contributions plus any taxes, duties and charges will be referred to as your contribution in this PDS.

Your contribution payments become due and payable at the time your selected protections commence. Your contribution can be made using your Capricorn Society account and can be made monthly at no additional cost to you.

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The amount of your contributions reflects the nature of the risks you wish to protect, as well as the amount of risks protected and any optional protection you have selected. The contributions paid by you will vary according to your specific needs.

Capricorn Mutual will consider a range of rating factors when determining your contribution for a requested protection. These factors include:

- (a) your location;
- (b) your occupation;
- (c) your previous claims history;
- (d) motor trade claims;
- (e) the size of your business;
- (f) the type of security you have in place;
- (g) your general risk profile;
- (h) the maximum amount payable for that protection;
- (i) the answers you provide in your application form; and
- (j) the model referred to in Section 27 below.

The cost of each protection has built into it a portion that Capricorn Mutual will set aside to meet its future liabilities as well as a portion that it will allocate to the payment of the cost of the insurance policy that the Mutual has in place to meet its obligations to members.

Because it is a not for profit entity there is no profit factor built into the calculation of your contributions. Any surplus will be applied for the benefit of the members.

For more information on the rating factors considered by Capricorn Mutual when determining your contribution for a specific protection and the range of contributions payable for each contribution see Part 5 (Business Protections) and Part 6 (Personal Protections) of this PDS.

### **13. What if I have a claim?**

Capricorn Mutual is owned by its members. It exists to help you. Assistance with your claim is just a phone call away. Telephone as soon as a problem occurs and we will give you detailed instructions as to what to do next. You may be required to provide proof of ownership when your claim is considered. If you are unable to provide proof when it is requested this could delay the Board's consideration of your claim or the Board may refuse your claim. In some cases you may be asked to obtain a quote for repair or replacement from a repairer or valuer nominated by Capricorn Mutual.

Call us on 1800 007 022 (AUS) or 0800 555 303 (NZ). All calls are toll free.

If the Board exercises its discretion not to pay your claim or to pay only part of your claim we will tell you as soon as we can.

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### 14. When you make a claim

As a member of Capricorn Mutual you will have a right to have your claim for protection considered by the Board of Directors of Capricorn Mutual. The payment of all claims under the selected protections is at the discretion of the Board. CTC will manage claims on behalf of Capricorn Mutual and will make recommendations to the Board on whether or not to accept a claim and the amount to be paid for each claim.

The Board's discretion to refuse or reduce a claim will only be exercised in circumstances where the Board believes that the members of Capricorn Mutual would expect it to do so. The Board also has power to pay claims that are specifically excluded under the protections.

The exercise of the Board's discretion will be based on, among other things, the summary of what protection is given and what is not given, as set out in each protection in Part 5 (Business Protections) and Part 6 (Personal Protections) in this PDS.

### 15. What if I am not happy with a decision about my claim?

In the unlikely event that you have a complaint about our service, you should contact us by telephoning 1800 007 022 (AUS) or 0800 555 303 (NZ) or in writing to the postal address in section 32 of this PDS or by email to [cmlcomplaints@ctcplc.com](mailto:cmlcomplaints@ctcplc.com). Your complaint will be dealt with promptly and fairly. Any complaint that is not satisfactorily resolved will be referred to our Complaints Manager who will review your complaint and respond within five working days.

If you are not satisfied with the Complaints Manager's decision, you can request that the complaint be referred to the Board of Directors who, apart from one external Director, are all Capricorn Society appointees. The Board will independently assess the complaint. It will instruct the managers to implement any decision it makes to resolve the complaint satisfactorily. The Board's review will be guided by the principles of good faith, equity and merit.

If you are still unhappy with the outcome, you can choose to have the matter resolved externally.

You can raise complaints about our services directly with the Financial Industry Complaints Service Limited (FICS). This independent body provides its service free to you and we will abide by the outcome. The decision is not binding on you. If you wish you may decide not to accept the decision and take your own legal action against Capricorn Mutual.

You can contact FICS and speak to one of its enquiry officers by ringing 1800 335 405. Alternatively, you can download complaints information from the FICS website at [www.fics.asn.au](http://www.fics.asn.au) and submit your written complaints forms to FICS at Financial Industry Complaints Service Limited, PO Box 579, Collins Street West, Melbourne, VIC 8007.

FICS is an external complaints resolution scheme approved by ASIC to provide free advice and assistance to consumers to help them in resolving complaints relating to members of the financial services industry.

### 16. Information provided by you

When you apply for membership of Capricorn Mutual you will be asked a series of questions relevant to your eligibility for membership. The answers you provide will be used to assess your application for membership.

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When, as a member, you apply for protections, you will be asked to complete an application form to provide information that is relevant to the protection you are seeking and to the rating of the contribution you will be asked to make for that protection. The information you provide will be used by the Board to consider whether or not to accept your application for protection and to assess your contributions.

If the information you provide to Capricorn Mutual or to employees of its corporate authorised representative, CTC is to your knowledge incorrect then the Board may refuse to approve your membership and may refuse to agree to your claim for protection.

## 17. Your Schedule of Protection

Once you are a member of Capricorn Mutual you can apply for protection for your business and personal risks by completing your application form and sending it to us. The Board will consider your application for protection. If your application is successful and the protections granted, we will issue you with a Schedule of Protection. Your Schedule of Protection will record your protections, the limits that may be paid for each of the protections, the excess that applies to each protection and other important matters about your protections such as the date on which each protection starts and expires.

Your Schedule of Protection will record the contributions payable by you to Capricorn Mutual. When we send you your Schedule of Protection please check the document carefully and tell us immediately if any changes are required.

## 18. Excess payable for your protections

When you apply to have a claim for protection considered by the Board of Capricorn Mutual, the Board may require you to pay the first part of your claim. This amount is your excess. Your Schedule of Protection will show the excess that applies to each of your protections.

## 19. Changes to your membership details

If your personal details such as your mailing address, telephone number or other contact details change during your membership year you need to tell us so that your renewals can be sent to the correct address. If you forget to inform us of these details you may miss your membership renewal date.

## 20. Changes to your personal or business circumstances

When you apply for each protection you are asked a series of questions in your application which are relevant to whether or not the Board of Capricorn Mutual accepts your application for a protection. Factors that are taken into account when calculating the cost of your contribution for each protection are set out in this PDS in the section that details each protection available for your selection.

You need to tell us when changes happen that may require changes to your protections or increase the risks that are relevant to your protections. In particular you need to tell us if any of the answers provided by you in your application form for a protection is no longer correct. Your obligations to tell us about changes to your circumstances are set out in the summary of protections that form part of this PDS. If you do not provide this information the Board may refuse your claim for protection.

Alterations to the protections you have selected, such as changing a motor vehicle or moving house, will be acknowledged by Capricorn Mutual sending to you an endorsement to your Schedule of Protection or a new Schedule of Protection.

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Any changes required to your protections to take into account your changed circumstances or risks during the 12 months when that protection is active (your protection year) will be at the discretion of the Board. The Board at its discretion may issue you with a new Schedule of Protection or it may endorse your existing Schedule of Protection with the new details. The Board may determine that extra contributions are required from you before the changes to your protections start.

Once you are a member of Capricorn Mutual you may apply to the Board at any time if you wish to add additional protections to those you selected when you first became a member. To apply for additional protections simply contact us with the details for consideration. If your application is successful the new protections may run for twelve months with the protection year for that protection commencing from the date when your application was successful. Alternatively, it may run to the common renewal date for your existing protections.

### **21. Not meeting your responsibilities**

If you or anyone protected by Capricorn Mutual do not tell us everything that is relevant, or if you mislead us, or if you fail to meet your responsibilities under the protections, we can refuse to pay a claim, reduce the amount we pay and/or cancel your protection. If fraud is involved, we can treat the protection as if it had never existed and cancel your membership. If you have any doubt about the relevance of any information you might give us, please tell us in order to avoid any prejudice to your protection.

### **22. Cancellation and renewal of membership**

You may cancel your membership by giving notice three months before the expiry of the membership year shown on your Certificate of Membership. You cannot cancel your membership during your membership year.

Because Capricorn Mutual is a mutual it is a membership organisation that you join and from which you must resign. By letting your membership lapse or by not paying your subscription on time or cancelling your direct debit authorisation you may become a non- financial member but you will remain a member until such time as you resign. Unless you resign you may be liable for a call made for a financial year which has not been closed whilst you were still a member. Only financial members are entitled to ask for and be granted protections set out in Part 5 and Part 6 of this PDS.

The Board may at its discretion advise you that your membership of Capricorn Mutual will cease at the end of your membership year. It must give you notice of its intentions before the end of your membership year.

On or before the last day of your membership year you can apply to renew your financial membership. The renewal of your financial membership is at the discretion of the Board of Capricorn Mutual.

If renewal of membership is granted it will be given on the same terms and conditions as set out in this PDS and in your Certificate of Membership unless the Board offers to renew your membership on different terms and conditions set out in a new PDS that will be issued to you at the time of renewal.

### **23. Cancellation and renewal of protections**

You may cancel your protections by giving notice 3 months prior to the expiry of the period of protection for that protection that is stated in your Schedule of Protection. You cannot cancel your protections during the period of protection, other than with the consent of the Board and on the terms that the Board, in its discretion, thinks fit. The Board will always approve cancellations in respect of individual protections where assets, such as vehicles or properties, have been disposed of.

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On or before the last day of a period of protection, you can apply to renew your protections for the next year. Whether or not to provide protections for the next protection year is at the discretion of the Board. If renewal is granted, the protections will be given on the terms and conditions set out in this PDS and a new Schedule of Protection for that year unless:

- (a) you complete an application form asking for different protections; or
- (b) you complete an application form asking for different terms and conditions and the Board agrees to your request; or
- (c) the Board offers to renew your protections on different terms and conditions; or
- (d) the Board advises you that Capricorn Mutual will cease to offer a specific protection at the end of the financial year and that if you have that protection it will cease at the end of the protection year and your protection will not be renewed.

In the situations mentioned in (c) and (d), the Board must give you notice of its intentions before the end of the protection year.

### 24. How to join Capricorn Mutual

There are six steps to joining Capricorn Mutual for the first time.

- Step One: We send you a membership package that explains what we can offer. That explanation is contained in this PDS. The membership package also contains an application form to join Capricorn Mutual and to apply for the protections you need for your business and personal risks.
- Step Two: If you are interested, call us on 1800 007 022 (AUS) or 0800 555 303 (NZ).
- Step Three: You complete your application for membership and select the protections you require.
- Step Four: If your application for membership is successful we will give you a quote for annual contributions for protection selected by you.
- Step Five: You decide whether or not you wish to accept our quote for protection.
- Step Six: If 'Yes', we send you your Certificate of Membership and Schedule of Protection confirming the details of your protections.

### 25. Paying for your membership and protections

#### Paying your subscription and contributions

Your annual membership subscription and your period of membership will be set out in your Certificate of Membership.

Your Schedule of Protection will tell you how much you have to pay for your contributions, and how much time you have for payment. You must pay by the due date.

If you pay after the due date, we can reject your payment which means that your protection will not start, and, in the case of a renewal, your protection will not be renewed. If we accept your late payment, we might recommence your protection from the date of payment. If so, you will have no protection for the period from the due date until the date of payment. Unless we tell you, any payment reminder we send you does not change the expiry of your protection or due date for payment.

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If you do not pay the contribution and other charges in full, we may reduce the period of protection so it is in line with the amount you paid. This means that you may not have protection for a full year.

### **Paying monthly by direct debit**

You can pay your contributions monthly from your Capricorn Society account. To arrange this you must complete the authority form in Part 2 of this PDS and return it to us.

If you pay your contributions by monthly instalment and your payment is overdue, we can:

- (a) refuse to pay a claim if payment is 14 days (or more) late; or
- (b) cancel your protection if payment is a month (or more) late.

### **26. Costs, fees and government charges**

Both your subscription and your contributions to Capricorn Mutual attract GST. Your contributions do not attract fire service levies or stamp duty.

### **27. Estimating future liabilities or future payments to members**

When Capricorn Mutual applied for its AFS licence it submitted to ASIC a full set of financial projections based on poor and best case scenarios for enrolments, claims, operational costs and investments. These financial projections were prepared by qualified accountants in accordance with ASIC's financial requirements for AFS licensees.

CTC has developed a mathematical model which Capricorn Mutual will use to calculate:

(a) income to be received by Capricorn Mutual from:

- contributions; and
- interest on investments.

(b) the outgoings to be paid by Capricorn Mutual for:

- fixed management costs;
- the number of claims lodged each year;
- the number of claims lodged for specific risks;
- the cost of its own insurance;
- the delay in lodging claims;
- the cost of an average claim; and
- stamp duty and withholding tax on premiums payable to insurers.

Each financial year Capricorn Mutual will set aside funds to be added to its trust account which will be used to pay any future claims to be made to members. The mathematical model is based on Capricorn Mutual being a fully funded mutual. This means that contributions will be calculated on the assumption that in any one financial year Capricorn Mutual will not receive or pay all the claims that members may have the right to claim on it for that financial year. Each contribution will include an amount that will be put aside for this purpose to meet the claims that have been delayed.

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### 28. Will additional contributions ever be required?

As an AFS licensee, Capricorn Mutual is required to maintain financial accounts that include estimates of its future payments to members as well as estimates of its future liabilities. It must ensure that it has adequate financial resources to meet its financial obligations as they fall due as well as ensuring that it has financial resources to discharge its future liabilities or make future payments to its members.

Capricorn Mutual will manage these future liabilities and payments through its own insurance program and through its claim reserving policy. Capricorn Mutual will calculate contributions of members on the basis that it will have adequate financial resources to discharge future liabilities and make future payments to members with protection, based on the mathematical model described in section 27 of this PDS.

The Rules of Capricorn Mutual allow it to call on its members for additional contributions if such a need ever arises, for example, if the funds held by Capricorn Mutual are not adequate. However, the maximum payable by you in additional contributions in any financial year is limited to a maximum of 5% of the annual contributions that you paid in the relevant financial year.

### 29. Adequate financial resources to meet future payments

To reduce the risk of a call being made, Capricorn Mutual itself is insured with Capricorn Insurance New Zealand for any payments it may make to members. For example if Capricorn Mutual pays a \$100,000 claim to a member, Capricorn Mutual may lodge a claim on Capricorn Insurance New Zealand for \$95,000.

Capricorn Insurance New Zealand in turn is protected by reinsurance for any payment it may make to Capricorn Mutual. For example if it pays \$95,000 to Capricorn Mutual, Capricorn Insurance New Zealand may make on a claim on its reinsurer.

### 30. Privacy

Capricorn Mutual is committed to your privacy.

Our privacy policy complies with the Privacy Act 1988 and is based on the ten National Privacy Principles outlined in the Privacy Amendment (Private Sector) Act 2000.

Your personal information is relevant to your application for membership and protections as well as the amount of your contributions or the assessment of any claims made by you or your personal representative. Without the right information we may be unable to decide whether to protect you, the amount of your contributions or to assess a claim. If you do not provide the information that we request the Board may be unable to assess your application for membership or protections and it may not be able to consider any application for protection made by you.

The information we may collect includes:

- (a) your name, business address, ABN, home address, phone numbers, fax numbers, e-mail addresses;
- (b) your date of birth;
- (c) information such as renewal dates, current premiums and levels of protection, annual payroll, annual turnover, gross profit and details of previous claims history; and
- (d) certain health details are needed to assess contributions and claims.

## INTRODUCING CAPRICORN MUTUAL

The information collected will help us to:

- (a) provide you with information on eligibility for membership of Capricorn Mutual;
- (b) provide quotes for your application for protection;
- (c) determine the cost of contributions and subscriptions;
- (d) provide an efficient claims management service;
- (e) assess and pay any claim for protection made by you or your personal representative; and
- (f) ensure Capricorn Society databases are accurate.

By providing Capricorn Mutual with your personal information you consent to its use for these purposes.

If you provide personal information about another person to Capricorn Mutual or one of the organisations assisting it, you must have that person's authorisation to provide their information and you must inform that person of Capricorn Mutual's identity, how it will use and disclose the information and that person's rights to access that information.

The information collected will be provided to organisations that will assist in deciding whether to protect you, the amount of your contributions or to assess a claim. We will ensure that these organisations have appropriate privacy procedures.

These organisations include:

- (a) CTC and its employees;
- (b) lawyers;
- (c) assessors;
- (d) repairers;
- (e) advisers;
- (f) loss adjustors;
- (g) brokers;
- (h) medical practitioners;
- (i) reinsurers;
- (j) Capricorn Society; and
- (k) related companies of Capricorn Mutual.

We will take reasonable steps to make sure that the personal information we collect, use or disclose is accurate, complete and up to date. Members can access their personal information that we hold. There will be no charge to do this.

Our internal complaints procedure is designed so that we may formally attend to any complaint where you believe your personal information may have been incorrectly used or disclosed.

If you would like to obtain further information about our privacy policy or complaints procedure you can contact the Privacy Officer on 08-9334 0750 or by e-mail: [cmlcomplaints@capricornmutual.com](mailto:cmlcomplaints@capricornmutual.com).

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## 31. General

Despite anything in this PDS that suggests otherwise, the protections set out in this PDS are subject to the Rules of Capricorn Mutual and to the limits, excesses and any other limitation specified in the Certificate of Membership and Schedule of Protection sent to you at the commencement or renewal of your protection.

Payment of claims for protection is always at the discretion of the Board of Directors.

## 32. How to contact us

For more information contact us

**By telephone:** Australia 1800 007 022 or New Zealand 0800 555 303

**By email:** [info@capricornmutual.com](mailto:info@capricornmutual.com)

**By mail:** Capricorn Mutual Limited PO Box 876, South Perth WA 6951







**Australia: 1800 007 022**  
**New Zealand: 0800 555 303**

Capricorn Mutual Limited  
ABN: 24 104 601 194  
AFS Licence No: 230038  
75 Mill Point Road, South Perth WA 6151