

PRODUCT DISCLOSURE STATEMENT



PART 6 — PERSONAL PROTECTIONS

This is Part 6 of the PDS dated 4 September 2003 issued by

Capricorn Mutual Limited

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GENERAL DEFINITIONS

These general definitions apply to all personal protections unless stated otherwise. Defined words will appear in bold.

1. Accident

An **event** or cause other than:

- (a) fire;
- (b) lightning;
- (c) storm, hail and wind;
- (d) water damage;
- (e) impact by vehicles, animals, aircraft or other aerial devices;
- (f) falling objects;
- (g) riot or civil commotion;
- (h) malicious acts (including by vandals and thieves);
- (i) earthquake, subterranean fire or volcanic eruption;
- (j) action by sea;
- (k) **theft**; and
- (l) breakage of glass.

2. Employee

Any person working for **you** in connection with a business that **you** operate who is:

- (a) under a contract of service or apprenticeship with **you**; or
- (b) borrowed by **you** or hired to **you**.

3. Event

Any one occurrence or number of occurrences arising directly or indirectly from one source or original cause.

4. Excess

The amount which **you** will contribute to each claim. The applicable **excess** will be set out in the **schedule of protection**.

5. Farm building

Farm building means any building not used as a residence, on land that **you** use as a farm (other than for any income generating purposes).

6. Farm contents

The contents of a **farm building** used solely for domestic purposes.

7. Flood

The inundation of usually dry land by water from any watercourse, lake, canal, dam or reservoir.

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8. Home buildings

Any buildings at the **premises** that **you** use for domestic purposes, including:

- (a) landlord's fixtures and fittings in and on buildings & outbuildings;
- (b) walls, gates and fences around and belonging to buildings;
- (c) fixed external signs or blinds;
- (d) piping, ducting, cables, wires, drains, inspection covers or underground sewerage tank accessories, for which **you** are legally responsible, which extend from buildings to the public mains;
- (e) yards, car parks, roads and pavements around and adjacent to buildings; and
- (f) radio and television receiving aerials, their fixtures or masts.

9. Home contents

All contents of **your home buildings** which **you** use for domestic purposes and which **you** own or are responsible for, including:

- (a) carpets; and
- (b) internal blinds.

Tools of trade are home contents.

10. Intruder alarm system

Any intruder alarm system, including the method of communication used to transmit the signals from or to that system.

11. Limit of protection or sub-limit of protection

The limits and sub-limits of protection set out in the **schedule of protection**.

12. Money

Cash or any **negotiable instrument**, belonging to you or for which you are legally responsible.

13. Negotiable Instrument

A legal document that represents **money** and can be legally transferred in title from one person to another.

14. Period of protection

The duration of **your** protection set out in the **schedule of protection**.

15. Premises

The domestic address(es) specified in the **schedule of protection**.

16. Schedule of protection

The latest schedule of protection issued by **us** to **you** and any endorsements attached or issued by **us**.

17. Theft

Theft or attempted theft.

PERSONAL PROTECTIONS

18. Vehicle

Any mechanically propelled vehicle designed for use on land only including a motor vehicle, motorcycle or goods carrying vehicle.

18. Watercraft

Any vessel or craft or thing made or intended to float on or in, or travel on or through water and includes hovercraft.

19. We, Us, Our

Capricorn Mutual Limited ABN 24 104 601 194.

20. You, Your

The person or people shown in the **schedule of protection** and any other person in their family ordinarily living with them.

GENERAL CONDITIONS

These general conditions apply to all protection sections unless stated otherwise.

1. Reasonable care

You must take all reasonable care to:

- (a) maintain and protect **your** property to minimise or avoid theft, loss or damage;
- (b) comply with all reasonable recommendations made by **us** to prevent theft, loss or damage to **your** property;
- (c) comply with all legal requirements imposed by any government or public authority for the safety of people or property;
- (d) take reasonable care to prevent or minimise accidents, injury or damage to property.

2. Change to the risk

You must immediately notify **us** if the risk of loss, damage or liability increases or changes, for example **you** change addresses. **We** will not protect this increased risk unless **we** agree to do so in writing.

3. Claims procedures

If **your** property is stolen lost or damaged:

- (a) tell **us** as soon as possible and give **us** any information **we** may need;
- (b) tell the police about any damage to property caused by **theft**, malicious people, riot or civil commotion;
- (c) provide all written details and supporting documentation that **we** may reasonably need, including proof of ownership;
- (d) give all evidence, information and assistance that **we** may reasonably require;
- (e) keep any damaged property, if possible, as **we** may want to inspect it or take possession of it.

If **you** receive documents or demands from another person about an accident:

- (f) tell **us** immediately and send **us** copies of the documents; and
- (g) do not admit responsibility or try to settle the claim or demand.

4. No reduction in amounts protected

If **we** pay **you** the **limit of protection** or **sub-limit of protection** for any claim or event, the relevant limit will be reinstated only if **you** pay the additional contribution that **we** ask for.

5. Our rights if you claim

We are entitled to:

- (a) take over the defence or settlement of any demands or claim made against **you**;
- (b) take proceedings, in **your** name, to recover any payment made to **you** by **us**;
- (c) enter **premises** where damage to property or injury has occurred;
- (d) deal with **your** property in any way **we** think is appropriate. If **we** decide to repair or replace property **you** must give **us** any plans, documents, books and information **we** ask for. **You** must not abandon property and leave it to **us** but **we** can keep any salvage of property that **we** repair or replace.

GENERAL CONDITIONS

6. Unattended premises

Whenever **your premises** are left unattended all:

- (a) safes and doors must be locked and the keys removed from **your premises**;
- (b) windows must be locked and the keys removed;
- (c) protections required by **us** must have been put into effect.

You must immediately notify **us** if **your premises** will be unattended for a period of 30 days or more. **We** will not protect **your premises** in this period of unoccupancy unless **we** agree to do so in writing.

7. Intruder alarm system

Where **we** require that an **intruder alarm system** is operational at **your premises**, the following conditions apply:

- (a) the **intruder alarm system** must be in the form agreed by **us**;
- (b) the **intruder alarm system** must be put into operation and working whenever **your premises** are left unattended; or
- (c) the **intruder alarm system** must be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or another company agreed with **us**.

GENERAL EXCLUSIONS

These general exclusions apply to all protection sections unless stated otherwise.

We will not protect **you** for:

1. Confiscation

Damage to property caused by confiscation, nationalisation or requisition by order of any government, public, municipal, local or customs authority.

2. Loss of value

Loss of market value beyond the cost or repair or replacement.

3. War risks

Damage to property or Injury arising from war, invasion, actions of foreign enemies, hostilities (whether or not war has been declared), civil war, rebellion, revolution, insurrection, military action or coup.

4. Sonic bangs

Pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

5. Nuclear

Damage to property, injury or any legal liability, directly or indirectly caused by or contributed to or arising from:

- (a) the combustion of nuclear fuel;
- (b) nuclear fission; or
- (c) nuclear weapons material.

6. Toxic mould

Loss damage or liability caused by or relating to fungal pathogens or bacteria.

For the purposes of this general exclusion, fungal pathogens shall mean any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota including but not limited to mould, mildew, mycotoxins, spores or any biogenic aerosols.

7. Cyber risks

Any damage to property, injury or any consequential loss arising out of, in whole or in part by:

- (a) the use or misuse of the internet or similar facility;
- (b) any electronic transmission of data or other information;
- (c) any computer virus, worm, logic bomb, 'Trojan Horse' or similar problem;
- (d) the use or misuse of any internet address website or similar facility;
- (e) any data or other information posted on a website or similar facility;
- (f) any loss of data or damage to any computer system, including but not limited to hardware or software;
- (g) the functioning or malfunctioning of the internet or similar facility or of any internet address website or similar facility; or
- (h) any infringement whether intentional or unintentional of any intellectual property rights including but not limited to trademark, copyright or patent.

GENERAL EXCLUSIONS

8. Specific sites

Loss, damage or liability arising from or in connection with work on or at any:

- (a) power station or nuclear installation;
- (b) oil rig, oil drilling platform or refinery or associated structures or vessels or while travelling to or from them;
- (c) chemical works;
- (d) aircraft, airport, ship, dock, pier or wharf;
- (e) computer installation or computer room; or
- (f) tower, steeple, chimney shaft, blast furnace, dam, canal, viaduct, bridge or tunnel.

9. Terrorism

- (a) Any act of terrorism, which shall mean an act including, but not limited to, the use of force or violence and/or threat of any person or group whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.
- (b) Any death, injury, illness, loss, damage to property, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

PROTECTION SECTION 1: YOUR HOME BUILDINGS

What is protected?

You have the right to have a claim considered for loss or damage to **home buildings** at the **premises** caused by an **event** during the **period of protection**.

If your claim is successful

We will, at **our** option, repair any damage or pay **you** the costs of repair or replacement.

We will repair the **home building** or pay the costs of repairing the **home building** to a condition substantially the same as but not better or more extensive than when new.

If **you** do not want the **home building** to be repaired or replaced, and **we** elect to do so, or pay the cost of doing so, the amount **we** will pay will be the amount of the repair, less a deduction for wear, tear and depreciation.

We will also pay the cost of:

- (a) removing debris, demolition or shoring up **home buildings**;
- (b) architects', surveyors' and legal fees necessarily incurred in the repair or rebuilding; or
- (c) making good damage to the grounds of the home **building** caused by any fire brigade or other persons during the process of extinguishing any fire.

Maximum protection

The maximum **we** will pay under this section 1 for all claims from any one event is the **limit of protection**, subject to additional protection 3. The additional and optional protections will be paid in addition to the **limit of protection**.

Additional protections

1. Purchasers' interest

If loss or damage to **home buildings** occurs after **you** have contracted to sell **your** interest in the **home buildings** but before the settlement date, the purchasers are entitled to protection under this section 1 as if they were **you**.

2. Electric motor burnout

We will pay for the full cost of repairing or replacing an electric motor that is part of a swimming pool filtration system or garden sprinkler system or pump if it is 8 years old or less or a depreciated cost for repairing or replacing the electric motor if it is more than 8 years old. **We** will also pay for:

- (a) an exchange sealed compressor in an air-conditioning unit;
- (b) re-gassing the unit;
- (c) bearings and seals;
- (d) relay or overload switches damaged by the motor fusing;
- (e) electric motors that are not built-in if the **home building** is rented to tenants.

We will not pay under this additional protection for:

- (a) electric motors under warranty;
- (b) electric motors used for business, trade or farming;

PROTECTION SECTION 1: YOUR HOME BUILDINGS

- (c) recovering or installing submersible pumps;
- (d) machinery, pumps or gear boxes that are not part of a sealed refrigeration unit or electric motor;
- (e) additional costs to convert refrigeration or air-conditioning units to use a different gas;
- (f) damage to swimming pools, chemicals or water from a filtration motor breakdown;
- (g) any additional costs arising from loss of use; or
- (h) relay or overload switches not damaged by the motor fusing.

3. Inflation

The **limit of protection** in respect of **home buildings** under this section 1 will be increased monthly during the **period of protection** in line with the movement of the general building cost index (or an alternative index selected by us).

This indexation will continue during repair or replacement of damage under this section 1.

4. Fire brigade costs

We will pay any fee, levy or account charged to **you** by any rural or metropolitan fire brigade to extinguish a fire at **your premises**, if loss or damage caused by the fire is or would have been protected under this section 1 or section 2.

5. Public authorities

We will pay for the additional amounts necessary to repair or replace the **home buildings** to comply with building or other regulations stipulated under any Federal, State or Local Government legislation, regulation or by-law.

We will not pay under this additional protection:

- (a) for additional amounts necessary to comply with an existing requirement;
- (b) where notice to comply is received before the loss or damage occurred; or
- (c) for the costs of compliance for any part of the **home buildings** that are not damaged.

6. Your legal liability

We will pay for all amounts that **you** are legally liable to pay as compensation for an injury, death or illness, or damage to property that happens in connection with **your** ownership of the **premises** in the **period of protection**. **We** will also pay **your** legal costs of defending any claim made against **you** that is protected by this additional benefit.

The maximum **we** will pay for all claims arising from any one **event** (including legal costs) under this additional benefit is \$20 million or the amount shown in **your schedule of protection**, whichever is less.

We will not pay under this additional benefit for injury, death, illness or damage to property arising directly or indirectly from:

- (a) the ownership, possession, occupancy or use of land or buildings not at the **premises**;
- (b) the ownership, possession or use of **vehicles** (except golf buggies, scooter designed for invalids, pedal cycles, garden appliances or wheelchairs where compulsory insurance is not required by any law);

PROTECTION SECTION 1: YOUR HOME BUILDINGS

- (c) the ownership, possession or use of any trailers or caravans (except when they are not attached to a **vehicle**);
- (d) the use of any non-mechanically propelled **watercraft** or aircraft over 3 metres long (except for canoes, kayaks, surf skis, single person sail boards, single person rowing sculls or surfboards);
- (e) discharge, release or escape of pollutants;
- (f) any business activity conducted by **you** or a company of which **you** are a director or partner;
- (g) building works at the **premises** where the total cost of the project exceeds \$25,000;
- (h) **you** committing or attempting to commit an unlawful or criminal offence;
- (i) **you** intentionally injuring a person or intentionally damaging their property.

We will also not pay for:

- (a) injury, death or illness to **you**;
- (b) damage to any of **your** property;
- (c) injury, death or illness to **your employees** or damage to any of their property while they are working for **you**;
- (d) injury, death, illness or damage to property when **you** have made **yourself** liable under a written contract or agreement (not including liability assumed under a lease or tenancy agreement for fire, lightning, water damage, oil leakage, or impact by road vehicles).

7. Rent assistance

If **we** have paid a claim under this section 1 for loss or damage to **home buildings**, **we** will also pay for the costs of reasonable alternative rental accommodation or loss of rent if **your home building** is unfit to live in because of the loss or damage.

The maximum **we** will pay is 52 weeks rental or 52 weeks loss of rent.

Optional protections

1. Hobby farms

If **farm buildings** is shown on the **schedule of protection**, **we** will protect **you** for **farm buildings** as if they were **home buildings**. The maximum **we** will pay for loss or damage to all **farm buildings** by any one **event** in the **period of protection** is the **sub-limit of protection** for **farm buildings**.

2. Flood damage

If **flood** is shown on the **schedule of protection**, exclusion 1(h) will not apply. However, the maximum **we** will pay for all claims for loss or damage to **home buildings** from any one **event** caused by **flood** is the **sub-limit of protection** for **flood**.

What is not protected?

We will not pay under this section 1 for:

1. Certain loss or damage

Loss or damage caused directly or indirectly by:

PROTECTION SECTION 1: YOUR HOME BUILDINGS

- (a) wet or dry rot, mould, mildew, fungus, insects, woodworm, vermin, pets or tree roots;
- (b) **theft**, vandalism or malicious damage by **you**, or any person at the **premises** with **your** permission;
- (c) evaporation, shrinkage, loss of weight, dampness, dryness, rust, corrosion or a gradually operating cause;
- (d) faulty design, plan, specification, materials, workmanship or built-in faults;
- (e) a government or public authority legally taking **your** property;
- (f) exposure to weather conditions of gates, fences, shade cloths, blinds, awnings and property in the open air;
- (g) erosion, subsidence, landslide or any earth movement other than earthquake;
- (h) **flood**;
- (i) lopping or felling of trees by **you** or with **your** consent; or
- (j) **accident**.

2. Excess

Any applicable excess.

How do we determine your contribution?

The contribution for **your** protection is based on a mathematical model that takes into account the need to ensure that Capricorn Mutual has sufficient funds to meet its outgoings and its future liabilities and future payments to members.

Your contribution for this protection will range from \$100 to \$2500. This amount will vary according to any optional protection **you** have selected which will increase the contribution **you** will pay. It will also vary to take into account any information that is provided by **you** when **you** submit **your** application for protection.

In determining **your** contribution for this protection **we** will also consider the following relevant factors:

- (a) the location of the **home building**;
- (b) the age of the **home building**;
- (c) the rebuild value of the **home building**;
- (d) the maximum amount payable under the protection;
- (e) the **home building's** construction material;
- (f) the nature of the security installed;
- (g) **your** past insurance claims history;
- (h) the flood history for the area where the **home building** is located; and
- (i) the information **you** provide in **your** application for protection.

PROTECTION SECTION 2: HOME CONTENTS

What is protected?

You have the right to have a claim considered for loss or damage to **home contents** caused by an **event** in the **period of protection**.

If your claim is successful

We will, at **our** option, repair or replace any loss or damage to **home contents** or pay **you** the costs of repair or replacement.

We will repair or replace the **home contents** or pay the costs of repairing the **home contents** to a condition substantially the same as but not better or more extensive than when new.

Maximum protection

The maximum **we** will pay for all claims from any one **event** made during **your period of protection** is the **limit of protection** shown on **your schedule of protection**.

However, there are also special limits for some items of **home contents**.

1. Items with special limits

For the following special items of **home contents** set out below the maximum **we** will pay for all claims from any one **event** is:

- (a) \$5,000 in total for tools of trade;
- (b) \$5,000 for each piece or set of jewellery or watch, or any fur, to a maximum of 20% of the **limit of protection** set out in **your schedule of protection**;
- (c) \$5,000 in total for non-mechanically powered watercraft less than 3 metres long and remote control model aircraft;
- (d) \$5,000 in total for unset gemstones, precious stones, gold or silver ingots, bullion or nuggets;
- (e) \$5,000 in total for unattached **vehicle** accessories or spare parts for **vehicles**, caravans, **watercraft**, trailers or aircraft;
- (f) \$1,000 in total for **money**.

2. Valuable items

For the following valuable items of **home contents** set out below the maximum **we** will pay for all claims from any one **event** is:

- (a) \$2,000 in total for all stamps, collector's coins and medals;
- (b) \$2,000 for each item or set of hand woven rugs or carpets, or gold or silver items or gold/silver plated items;
- (c) \$10,000 for each item or set of antiques (not antique jewellery), curios, paintings and other works of art;
- (d) \$10,000 in total for computers, registered computer software, photocopiers, fax machines, dental and health care equipment.

3. Specified items

For **specified items** of **home contents** the maximum **we** will pay for all claims for loss or damage to those **specified items** from any one **event** is the **limit of protection** for those **specified items** set out in the **schedule of protection**.

PROTECTION SECTION 2: HOME CONTENTS

The additional and optional protections will be paid in addition to the **limit of protection**.

Additional protections

1. Home contents temporarily removed

We will pay for loss or damage to **home contents** while they are temporarily removed from **your home building** for no more than 30 consecutive days, within Australia or New Zealand. The maximum **we** will pay for all claims from any one **event** is \$5000.

2. Visitors' property

We will pay up to \$1000 for all claims from any one **event** for loss or damage to guests property or other property not belonging to **you** but in **your** physical or legal control at the **premises**. **We** will not pay for loss or damage to **money**.

3. Electric motor burnout

We will pay for the full cost of repairing or replacing an electric motor which forms part of **your** contents if it is 8 years old or less or a depreciated cost for repairing or replacing the electric motor if it is more than 8 years old. **We** will also pay for:

- (a) an exchange sealed compressor in an air-conditioning unit;
- (b) re-gassing the unit;
- (c) bearings and seals;
- (d) relay or overload switches damaged by the motor fusing.

We will not pay under this additional protection for:

- (a) electric motors under warranty;
- (b) electric motors used for business, trade or farming;
- (c) machinery, pumps or gear boxes that are not part of a sealed refrigeration unit or electric motor;
- (d) additional costs to convert refrigeration or air-conditioning units to use a different gas;
- (e) damage to swimming pools, chemicals or water from a filtration motor breakdown;
- (f) any additional costs arising from loss of use; or
- (g) relay or overload switches not damaged by the motor fusing.

4. Frozen food spoilage

We will pay up to \$1,000 for any one loss for spoilage of frozen foods in the **period of protection** caused by:

- (a) the breakdown of the freezer in which they are kept;
- (b) failure of the electricity supply, but not due to:
 - (i) a labour strike;
 - (ii) the electricity supplier cutting off the supply; or
 - (iii) the power being turned off or the plug not being inserted in the socket.

PROTECTION SECTION 2: HOME CONTENTS

5. Your legal liability

We will protect **you** for all amounts that **you** are legally liable to pay as compensation for an injury, death or illness to another person or damage to property that happens anywhere in the world other than the USA or Canada in the **period of protection**.

We will also protect **your** legal costs of defending any claim made against **you** that is protected by this additional protection.

The maximum **we** will pay for all claims arising from any one **event** (including legal costs) under this additional protection is \$20 million or the amount specified in **your schedule or protection**, whichever is less.

We will not pay under this additional protection for injury, death, illness or damage to property arising directly or indirectly from:

- (a) **your** ownership of the **premises**;
- (b) the ownership, possession or use of **vehicles** (except golf buggies, scooters designed for invalids, pedal cycles, garden appliances or wheelchairs where compulsory insurance is not required by any law);
- (c) the ownership, possession or use of any trailers or caravans (except when they are not attached to a **vehicle**);
- (d) the use of any non-mechanically propelled watercraft or aircraft over 3 metres long (except for canoes, kayaks, surf skis, single person sail boards, single person rowing sculls or surfboards);
- (e) the use of any **watercraft** or aircraft;
- (f) any business activity conducted by **you** or a company of which **you** are a director or partner;
- (g) the transmission or spread of any infectious illness or disease such as HIV or AIDS after **you** became aware of contracting, or being medically diagnosed as having contracted, the disease or illness;
- (h) **your** duty as a coach or official at a game or function;
- (i) **you** committing or attempting to commit an unlawful or criminal offence;
- (j) **you** intentionally injuring a person or intentionally damaging their property.

We will also not pay for:

- (a) injury, death or illness to **you**;
- (b) damage to any of **your** property;
- (c) injury, death or illness to **your employees** or damage to any of their property while they are working for **you**;
- (d) injury, death, illness or damage to property when **you** have made **yourself** liable under a written contract or agreement (not including liability assumed under a lease or tenancy agreement for fire, lightning, water damage, oil leakage, or impact by road vehicles).

PROTECTION SECTION 2: HOME CONTENTS

Optional protections

1. Accidental damage

If accidental damage is shown on **your schedule of protection**, exclusion 1(j) will not apply. However, the maximum **we** will pay for all claims from any one **event** caused by **accident** is the **sub-limit of protection** for accidental damage.

2. Hobby farms

If **farm contents** is shown on the **schedule of protection**, **we** will protect **you** for **farm contents** as if they were **home contents**. The maximum **we** will pay for loss or damage to all **farm contents** by any one **event** in the **period of protection** is the **sub-limit of protection** for **farm contents**.

3. Flood damage

If **flood** is shown on the **schedule of protection**, exclusion 1(h) will not apply. However, the maximum **we** will pay for all claims for loss or damage to **home contents** from any one **event** caused by **flood** is the **sub-limit of protection** for **flood**.

What is not protected?

We will not pay under this section 2 for:

1. Certain loss or damage

Loss or damage caused directly or indirectly by:

- (a) wet or dry rot, mould, mildew, fungus, insects, woodworm, vermin, pets or tree roots;
- (b) **theft**, vandalism or malicious damage by **you**, or any person at the **premises** with **your** consent;
- (c) evaporation, shrinkage, loss of weight, dampness, dryness, rust, corrosion or a gradually operating cause;
- (d) faulty design, plan, specification, materials or workmanship;
- (e) a government or public authority legally taking **your home contents**;
- (f) exposure to weather conditions of property in the open air;
- (g) erosion, subsidence, landslide or any earth movement other than earthquake;
- (h) **flood**;
- (i) lopping or felling of trees by **you** or with **your** consent; or
- (j) **accident**.

2. Excess

Any applicable **excess**.

How do we calculate your contributions for this protection section?

The contribution for **your** protection is based on a mathematical model that takes into account the need to ensure that Capricorn Mutual has sufficient funds to meet its outgoings and its future liabilities and future payments to members.

PROTECTION SECTION 2: HOME CONTENTS

Your contribution for this protection will range from \$100 to \$2500. This amount will vary according to any optional protection **you** have selected which will increase the contribution **you** will pay. It will also vary to take into account any information that is provided by **you** when **you** submit **your** application for protection.

In determining **your** contribution for this protection **we** will also consider the following relevant factors:

- (a) the location of the **home building**;
- (b) the maximum amount payable under the protection;
- (c) the replacement value of the **home contents**;
- (d) whether there are any individual items valued over \$3000 each;
- (e) the nature of the security installed;
- (f) **your** past insurance claims history; and
- (g) the information **you** provide in **your** application for protection.

PROTECTION SECTION 3: MOTOR VEHICLES

What is protected?

You have the right to have a claim considered for:

- (a) loss or damage to a **protected vehicle** arising from an **event** in the **period of protection**; and
- (b) **your** legal liability for loss or damage to the property arising from an **event** in the **period of protection** caused by:
 - (i) **your** use of a **protected vehicle**; or
 - (ii) the towing of a trailer or caravan connected to a **protected vehicle** or a trailer or caravan becoming detached from a **protected vehicle**.

If your claim is successful

1. Loss or damage

If market value is shown in the **schedule of protection**, we will, at **our** option:

- (a) repair or replace the **protected vehicle**;
- (b) pay the cost of repair or replacement of the **protected vehicle**; or
- (c) pay the market value of the **protected vehicle** at the time of the loss or damage.

If agreed value is shown on the **schedule of protection**, we will, at **our** option:

- (a) pay the agreed value for the **protected vehicle** shown on the **schedule of protection**; or
- (b) repair or replace the **protected vehicle**.

A new **vehicle** will be supplied if the **protected vehicle** becomes a total or constructive loss within one year of its original registration.

We will pay the reasonable cost of moving the **protected vehicle** to a suitable place of repair.

We will pay the reasonable cost of returning the **protected vehicle** to **you** following **theft**.

2. Legal liability

We will pay for:

- (a) the compensation that **you** are legally obliged to pay, including the legal costs of a person claiming against **you**; and
- (b) **your** defence costs.

Maximum protection

1. Loss or damage

The maximum **we** will pay for loss or damage for each **protected vehicle** is the amount calculated under section 1 under the '**If your claim is successful**' heading.

We will not pay for any applicable **excess**.

2. Legal liability

The most **we** will pay in this section 3 for any one claim in the **period of protection** is the **limit of protection** for vehicle liability set out in the **schedule of protection**.

PROTECTION SECTION 3: MOTOR VEHICLES

We will pay **your defence costs** in addition to the **limit of protection**. The additional and optional protections are included in the **limit of protection**.

We will not pay for the applicable **excess**.

Additional protections

1. Change of vehicle

If **you** sell any **protected vehicle** and replace it, **we** will automatically extend this protection for the new **vehicle** for 28 days. **You** must tell **us** if **you** sell or replace any **vehicle** and pay any additional contributions **we** ask for.

2. Attached trailer

We will pay for loss or damage to a trailer attached to a **protected vehicle** whilst being towed by the **protected vehicle** or after the trailer becomes detached from the **protected vehicle** up to a limit of \$1,500 for each claim.

3. Protection for others

We will protect:

- (a) any **declared driver**; and
- (b) any person who is 22 years of age or over driving a **protected vehicle** with **your** permission; as if they were **you**, subject to the terms and limits of this section.

What is not protected?

We will not pay under this section 3 for:

1. Exclusions limiting protection

- (a) loss or damage to the **protected vehicle**, if third party only is shown in the **schedule of protection**;
- (b) loss or damage to the **protected vehicle** other than by fire or **theft**, if third party fire and theft only is shown in the **schedule of protection**.

2. General exclusions

We will not pay for:

- (a) depreciation;
- (b) wear and tear, rust or corrosion;
- (c) damage to tyres caused by the road, the application of brakes or by punctures or bursts;
- (d) **theft** by **you**, **your** family members or any **declared driver** or person driving the **protected vehicle** with **your** consent;
- (e) any structural, mechanical, electrical, electronic or hydraulic breakdown, failure or breakage;
- (f) where the **protected vehicle** has been let or hired or is being used to carry passengers or goods for hire or reward;
- (g) claims arising when the **protected vehicle** or any caravan or trailer attached to **your vehicle** was towing hazardous goods in bulk or in breach of any law relating to carrying hazardous goods;

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- (h) claims for **injury** to any person;
- (i) claims where the driver of the **protected vehicle** was under the influence of alcohol or drugs or was found to be in excess of the blood alcohol limits prescribed by law;
- (j) claims caused by the unroadworthy or unsafe condition of the **protected vehicle** where such condition was known or ought to have been known by **you**;
- (k) the expropriation or confiscation of the **protected vehicle**; or
- (l) loss or damage to property owned by **you**, **your** family members or any **declared driver** or person driving the **protected vehicle** with **your** permission.

Definitions

In this section the following words have the following meaning:

1. Defence costs

The reasonable legal costs necessary to investigate and defend a claim made against you.

2. Declared driver

The people declared in the schedule of protection as drivers of the protected vehicle(s).

3. Protected vehicle(s)

The vehicle(s), caravan(s) or trailers listed on the **schedule of protection**.

Vehicles protected by additional protection 1 are also protected vehicles subject to the terms of additional protection 1.

How do we calculate your contributions for this protection section?

The contribution for **your** protection is based on a mathematical model that takes into account the need to ensure that Capricorn Mutual has sufficient funds to meet its outgoings and its future liabilities and future payments to members.

Your contribution for this protection will range from \$75 to \$2500. This amount will vary according to any optional protection **you** have selected which will increase the contribution **you** will pay. It will also vary to take into account any information that is provided by **you** when **you** submit **your** application for Protection.

In determining **your** contribution for this protection **we** will also consider the following relevant factors:

- (a) the make and model of the **protected vehicle**;
- (b) the age of the **protected vehicle**;
- (c) engine size;
- (d) whether the **protected vehicle** is made in Australia or imported;
- (e) the age of the driver;
- (f) the limit of protection requested by **you**;
- (g) **your** past insurance claims history; and
- (h) the information **you** provide in **your** application for protection.



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