



Trustees Fidelity Coverage Section

SCHEDULE

CHUBB INSURANCE COMPANY
OF AUSTRALIA LIMITED
(A.B.N. 69 003 710 647)
A.F.S. Licence No: 239778
Herein called the Company

- Item 1.** (a) **Participating Employer:**
- (b) **Superannuation Fund:**
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Item 2. Limit of Liability: \$

Item 3. Deductible Amount: \$

Item 4. Endorsement(s) Effective at Inception:

In consideration of payment of the premium and subject to the Declarations, the Schedule to this coverage section, the General Terms and Conditions and the limitations, conditions, provisions and other terms of this coverage section, the Company agrees as follows:

Insuring Clause 1. The Company shall be liable for direct losses of **Money, Securities** or other property sustained by the **Superannuation Fund** caused by **Theft** or forgery by any **Specified Person** acting alone or in collusion with others.

Exclusions 2. Coverage under this coverage section does not apply to:

- (a) loss due to war (whether or not declared); civil war; insurrection; rebellion or revolution; military, naval or usurped power; governmental intervention, expropriation or nationalisation; or any act or condition incident to any of the foregoing;
- (b) loss caused or contributed to by **Theft** or any other fraudulent, dishonest or criminal act committed by a partner of the **Participating Employer**, whether acting alone or in collusion with others;
- (c) any expenses incurred in establishing the existence or the amount of any loss covered under this coverage section;
- (d) loss of income not realised as the result of any loss covered under this coverage section;
- (e) loss of trade secrets, confidential processing methods or other confidential information of any kind;
- (f) fees, costs or expenses incurred or paid in prosecuting or defending any legal proceeding or claim, whether or not such proceeding results or would result in a loss recoverable under this coverage section;
- (g) loss unless reported and proved in accordance with section 9 of this coverage section;
- (h) loss unless discovered and written notice thereof is given to the Company within sixty days following termination of this coverage section;
- (i) loss or that part of any loss the proof of which involves in any manner (1) a profit and loss computation or comparison, or (2) a comparison of inventory records with an actual physical count. However, if the **Trustee** establishes wholly apart from such comparison that the **Superannuation Fund** has sustained a loss and has identified the **Specified Person** involved, it may offer its inventory records and actual physical count of inventory in support of the amount of loss claimed;
- (j) loss caused by a **Specified Person** if an elected or appointed officer of the **Participating Employer** or **Trustee** possessed at any time knowledge of any act or acts of **Theft**, fraud or dishonesty committed by such **Specified Person**, during or prior to employment or engagement by the **Participating Employer** or **Trustee** provided that such conduct involved **Money, Securities** or other property valued at \$25,000 or more;
- (k) loss caused by any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character; or
- (l) loss resulting directly or indirectly from trading whether or not in the name of the **Participating Employer** or **Trustee** and whether or not in a genuine or fictitious account.

Ownership 3. The Company's liability under this coverage section applies only to **Money, Securities** or other property of the **Superannuation Fund** held by the **Trustees** or a custodian on behalf of the **Trustees**.

Right to Claim and Payment by Company 4. Only the **Trustees** of the **Superannuation Fund** named in Item 1(b) of the Schedule of this coverage section shall have any right to claim, adjust, receive or enforce payment of any loss and shall be deemed to be the sole agent of the others for such purposes and for the giving or receiving of any notice or proof required to be given by the terms hereof. Knowledge possessed or discovery made by any **Trustee** or any officer of a corporate **Trustee** or any **Participating Employer** or any officer of a **Participating Employer** constitutes knowledge possessed or discovery made by the **Trustees** for the purposes of this coverage section. All losses and other payments, if any, payable by the Company, are payable to the **Trustees** of the **Superannuation Fund** named in Item 1(b) of the Schedule of this coverage section which sustains the loss, without regard to their obligations to others. The Company is not responsible for the proper application of any payment made.

Merger, Acquisition or Consolidation 5. If, through:

- (a) consolidation or merger of a **Participating Employer**;
- (b) consolidation or merger of a **Superannuation Fund**;
- (c) acquisition by the **Participating Employer** of the majority share ownership of some other entity; or
- (d) acquisition by the **Participating Employer** of the assets of some other entity,

the number of members of the **Superannuation Fund** or the value of the assets of the **Superannuation Fund** increase by more than 15%, the **Trustee** must give the Company written notice of the consolidation, merger or acquisition within ninety days and shall pay the Company an additional premium computed pro rata from the date of the consolidation, merger or acquisition to the end of the current premium period; otherwise coverage as may be provided on such other entity shall be null and void from the date of the consolidation, merger or acquisition.

Limit of Liability 6. The payment of any loss under this coverage section shall not reduce the liability of the Company for other losses. However, the maximum liability of the Company shall not exceed the dollar amount set forth in Item 2 of the Schedule for this coverage section, for each loss caused by any **Specified Person** or in which any **Specified Person** is concerned or implicated, either resulting from a single act or any number of such acts, regardless of which, during the period of this coverage section or prior thereto, such acts occurred.

Non-Accumulation of Liability 7. Regardless of the number of years this coverage section continues in force, and the number of premiums which are payable or paid or any other circumstances whatsoever, the liability of the Company under this coverage section with respect to any loss or losses is not cumulative from year to year or from **Policy Period** to **Policy Period**. When there is more than one **Superannuation Fund**, the aggregate liability of the Company for loss or losses sustained by any or all of them shall not exceed the amount for which the Company would be liable if all losses were sustained by any one of them.

Deductible

8. The amount stated in Item 3 of the Schedule for this coverage section must be deducted from each loss sustained by the **Superannuation Fund**.
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**Notice, Proof,
Legal Proceedings**

9. Upon knowledge or discovery by any **Trustee** or any officer of a corporate **Trustee** or any officer of any **Participating Employer**, of loss or of an occurrence which may become a loss, written notice shall be given to the Company at the earliest practicable moment and in no event later than ninety days after such discovery. Within four months after such discovery the **Participating Employer** or **Trustee** shall furnish to the Company affirmative proof of loss with full particulars. Legal proceedings for recovery of any loss hereunder shall not be brought after the expiration of two years from the discovery of such loss. If any limitation embodied herein is prohibited by any law controlling the construction thereof, such limitation shall be deemed to be amended so as to be equal to the minimum period or limitation permitted by such law.

At the Company's request, the **Participating Employer** or **Trustee** shall submit to examination by the Company, subscribe the same under oath if required, and produce for the Company's examination all pertinent records at such reasonable time and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to any loss or claim.

Valuation

10. The Company is not liable under this coverage section for more than:
- (a) the actual market value of lost, damaged or destroyed **Securities** at the close of business on the business day immediately preceding the day on which the loss is discovered, or for more than the actual cost of replacing the **Securities**, whichever is less;
 - (b) the actual cash value at the time of other lost, damaged or destroyed property or for more than the actual cost of repairing or replacing the property with property of similar quality and value, whichever is less; or
 - (c) the Australian value of a foreign currency based on the cash rate of exchange published in the *Australian Financial Review* on the day any loss involving foreign currency is discovered.
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Recoveries

11. If the **Superannuation Fund** sustains any loss covered by this coverage section, all recoveries (except from sureties, insurance, reinsurance or indemnity taken by or for the benefit of the Company) made after the loss, less the actual cost of recovery, shall be distributed as follows:
- (a) if the loss is not subject to a Deductible Amount, the **Superannuation Fund** shall be fully reimbursed from such recoveries for the amount of the loss which exceeds the amount of coverage provided by this coverage section and any balance shall be applied to the reimbursement of the Company;
 - (b) if the loss is subject to a Deductible Amount, the **Superannuation Fund** shall be reimbursed from such recoveries for any loss which exceeds the amount of coverage provided by this coverage section less the Deductible Amount, any balance shall be applied to reimbursement of the Company to the extent of its loss and any remainder paid to the **Superannuation Fund**. If there is no excess loss the total recoveries shall be distributed first in reimbursement to the Company to the extent of its loss and any remainder paid to the **Superannuation Fund**.
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Other Insurance

12. To the extent that any loss covered by this coverage section is insured under:
- (a) those bonds, indemnities, coverage sections or other policies listed in the documents comprising the proposal for this policy or coverage section; or
 - (b) any other policy,

then to the extent to which it is permitted by the Insurance Contracts Act 1984, coverage is only provided under this coverage section subject to its limitations, conditions, provisions and terms for such loss excess of the coverage provided by any of the policies and coverage sections referred to in (a) and (b) above.

**Liability for
Prior Losses**

13. The liability of the Company for loss sustained prior to (i) the effective date of this coverage section, or (ii) the effective date additional **Superannuation Funds** are subsequently added, is subject to the following:

- (a) the **Superannuation Fund** or some predecessor in interest of the **Superannuation Fund** carried some other bond or policy which, at the time such loss was sustained, afforded on the person or persons causing the loss, some or all of the coverage of this coverage section; and
- (b) such prior coverage and the right of claim for loss hereunder continued under the same or some superseding bond or policy without interruption from the time the loss was sustained until the date specified in (i) or (ii) above; and
- (c) the loss shall have been discovered after the expiration of the time for discovery of such loss under the last such bond or policy.

The liability of the Company with respect to such loss shall not exceed the limit of liability under the coverage in force at the time the loss was sustained, or the limit of liability under this coverage section, whichever is smaller.

**Knowledge of
Prior Theft**

14. For the purposes of this coverage section, knowledge possessed by any corporate **Trustee** or **Participating Employer** means knowledge possessed by any corporate **Trustee's** or **Participating Employer's** director or elected or appointed officer who is aware of the engagement of a person in the management of the **Superannuation Fund** and that person's prior fraudulent or dishonest acts of **Theft**, fraud or dishonesty.

At the absolute discretion of the Company, coverage may be extended to any individual upon written application by the **Trustee** and consent given by the Company.

**Termination as
to any Specified
Person**

15. This coverage section terminates as to any **Specified Person** at the earliest of the following:

- (a) immediately upon discovery by the **Trustee** of any act of **Theft** or other fraudulent or dishonest act, or
- (b) sixty days after the receipt by the **Trustee** of a written notice of termination from the Company,

whichever occurs first.

Definitions

16. When used in this coverage section:

Insured, either in the singular or plural, means the **Superannuation Fund**.

Money means only currency, coin, bank notes and bullion which is an asset of the **Superannuation Fund**.

Participating Employer means the organisation named in Item 1(a) of the Schedule of this coverage section and any **Subsidiary**.

Securities means all negotiable and non-negotiable instruments or contracts representing either **Money** or other property, including revenue and other stamps in current use, tokens and tickets, but not including **Money**.

Specified Person, either in the singular or plural, means one or more natural persons while in the regular service of the **Participating Employer** or the **Trustee** in the ordinary course of the **Participating Employer's** or the **Trustee's** business during the **Policy Period** and who is compensated by salary, wages and/or commissions and, where the **Participating Employer** or **Trustee** has the right to govern and direct in the performance of such service; and shall also mean:

- (a) any non-compensated officer of any **Participating Employer** or **Trustee**;
- (b) any ex-employee of the **Participating Employer** or **Trustee** for a period not exceeding thirty days following termination of such person's services; and
- (c) any director of the **Participating Employer** or **Trustee** while performing acts coming within the scope of the usual duties of an employee.

Subsidiary, either in the singular or plural means any organisation in which more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors is or was owned or controlled, directly or indirectly, in any combination, by one or more **Participating Employer**.

Superannuation Fund means the funds designated in Item 1(b) of the Schedule of this coverage section and any other superannuation fund for which coverage is provided pursuant to section 5 of this coverage section.

Theft means the unlawful or dishonest taking of **Money**, **Securities** or other property to the deprivation of the **Superannuation Fund**.

Trustee, either in the singular or plural, means any past, present or future natural person or body corporate, duly appointed as a trustee of the **Superannuation Fund** in accordance with the governing rules of the **Superannuation Fund** or by a court or pursuant to a statute.