

Summary of Engineering Insurance Classes of Business^{*})

Renewable (annual) covers

Electronic equipment (EE) insurance

The term “electronic equipment” comprises, in the context of this insurance, all electrical and electronic systems such as:

- Electronic data processing (EDP) equipment
- Electrical equipment for medical use
- Communication facilities
- Lighting and navigation facilities
- Equipment for research and materials testing.

The insurance protects:

- The owner as the operator, the lessor, or the maintenance contractor
- The hirer.

Material damage cover

Electronic equipment insurance is an “accident” insurance on an all risks basis covering sudden and unforeseen losses which physically affect the subject matter insured.

Losses due to the following causes give rise to the vast majority of all claims:

- Fire, lightning, explosion, failing aircraft
- Smoke, soot, corrosive gases
- Water and humidity
- Failure of air conditioning
- Short circuit and other electrical causes
- Design, manufacturing, assembly and erection faults, defects in casting and material, workshop errors, bad workmanship
- Faulty operation, lack of skill, gross negligence
- Malicious acts of workmen, employees, third parties
- Burglary
- Hail, frost.

The exclusions comprise mainly:

- War or warlike operations, civil commotion of any kind as well as acts on the part of strikers and locked-out persons
- Willful acts or willful negligence on the part of the insured or of his representatives
- Faults or defects for which a third party (supplier) is responsible either by law or under contract (losses covered by warranty)
- Wear and tear
- Failure or interruption of gas, water or electricity services (certain exceptions being possible in special cases)

- Aesthetic defects, e.g. scratches on painted, polished or varnished surfaces
- Consequential loss and liability of all kinds (with the exception of additional expenses for computer operation).

The sum insured must always be the replacement value of the insured electronic equipment (value of the new item plus customs duties, transportation and installation charges).

Data media cover

Cover is provided on a first-loss basis both for the material value of the external data media used in computing facilities and for the costs of reprocessing and restoring lost information.

Increased cost of working cover

If, in the event of a breakdown, the required computing capacity is hired, then the increased cost of working insurance applies. It covers such expenses as hire charges, transport charges for data media and personnel, expenses for accommodation away from base, night work or work on public holidays and the like.

^{*}) This summary is taken from Munich Re's booklet Technical Insurance References and is based on the examples of Engineering Insurance wordings of Munich Re, but broadly applies in general to the class of Engineering Insurance referred to herein.