

10 reasons for computer insurance

“Doesn't my contents insurance provide sufficient cover for my computers and data?”

“Doesn't my maintenance agreement provide the same protection?”

These are common misconceptions when considering computer insurance.

Here are 10 reasons your clients may need computer insurance.



01 Almost every industry relies on computers

A loss, breakdown, data corruption or cyber-attack can have a devastating impact on a business and its reputation. Computer insurance protects equipment and software to help support the day-to-day running of a business.



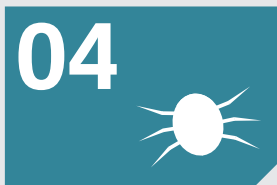
02 Many businesses rely on their property policy to provide adequate cover

Contents insurance provided through Property policies only covers insured perils such as fire, flood or theft – not breakdown, or data corruption as a result of a cyber-attack.



03 Contents insurance may cover damage to hardware, but not software

Computer cover will provide protection for software and servers from damage, breakdown or corruption.



04 Hacking, viruses and corruption of company data is on the rise

Recreating data can often be more expensive than a material damage claim. Computer insurance will cover the recreation of data and help prevent damage as a result of a virus.



05 Technology changes rapidly

It is important that when equipment is lost, there is an allowance for sourcing modern equivalent equipment. Computer insurance provides new for old cover and will usually pay for a higher performing model where an equal performing equivalent is not available.



06 The protection provided by maintenance agreements may be limited

The consequences of damage, such as additional expenditure to get the business back up and running may not be covered by a maintenance agreement.



07 Rodents and other vermin can cause damage to equipment

Damage caused by vermin, such as rats chewing through network cables, can often be excluded from a Property policy. Computer cover however is not just limited to traditional risks!



08 Failure or interruption of power supplies may not be covered by a property policy

Damage due to power failure or intermittence will be covered by a computer policy, but may not be covered by a property policy.



09 There are a wide range of other costs to consider following a loss

Costs such as increased overtime of staff and rental fees for temporary premises can all add up after a loss. Computer cover can protect your business from the additional expenditure it incurs.



10 Accidents do happen and the results can be catastrophic

A spilt glass of water or electrical short circuiting can easily happen and lead to unexpected costs and business interruption. Having a computer policy in place will give you peace of mind.

Claims Example

When a client's server broke down, important data was corrupted. Upon further investigation, it was discovered that the data being backed-up had also become corrupt.

Allianz paid the cost of recompilation and reinstatement of the corrupt data. The cost to reinstate the corrupt data (and the associated increased cost of working) eventually outstripped the cost of the material damage claim and Allianz paid in excess of £40,000.

This case example is for illustrative purposes only.