



# Electronic Equipment

Electronic Equipment Insurance (EEI) is a policy designed to provide coverage for computers and other electronic equipment and it applies whether the insured items are at work or at rest or being dismantled for the purpose of cleaning, overhauling or of being shifted within the premises, or in the course of the aforesaid operations themselves, or during subsequent re-erection, but in any case only after successful commissioning. The policy can also be extended to cover the external data media such as tapes and disks.

## Coverage

The cover is essentially an “Accident” insurance policy covering losses to the insured items which are due to sudden and unforeseen causes. The policy includes mechanical and electrical breakdown of the equipment unless such a breakdown is indemnified under the manufacturer’s warranty or a maintenance contract.

The policies comprises 3 sections as follows:-

### SECTION I - Material Damage (MD)

This Section covers all hardware installation including peripheral equipment and accessories against any unforeseen and sudden physical loss or damage from any causes other than those specifically excluded.

#### Basis Of Sum Insured

Sum Insured should not be less than the full new replacement value of each item, inclusive of freight, customs duties, dues and installation cost etc.

Amount of insurance to be adjusted in the event of any material fluctuation in the level of wages or prices.

#### Basis Of Indemnity

- In the event of “Partial Loss” - to restore the damaged item to its former state of serviceability, including the use of new spare parts and the cost of dismantling and re-erection, freight and customs duties provided such costs can be provided to have been included in the sum insured (Section I, Memo 1 of the EEI policy). Deductible to be subtracted from the indemnity.
- In the event of “Total Loss” - Under Section I, Memo 2 of the Policy, the insurers indemnify the **actual value** of the insured equipment immediately prior to the occurrence of the loss or damage (an appropriate depreciation amount being deducted from the new replacement value of the insured equipment) including ancillary costs allowed for in the sum insured. The agreed deductible being subtracted.

### SECTION II - External Data Media (EDM)

This Section provides coverage for the data media such as disc, tapes external to the computer system. Coverage is the same as Section I and it applies while the insured data media are kept on the premises

#### Basis Of Sum Insured

Total SI = Estimated re-recording costs + Estimated re-compiling data costs + Total New Replacement Value Costs

### SECTION III - Increase Cost Of Working (ICOW)

This Section provides indemnity for increased cost of working following a material loss or damage. If the material damage indemnifiable under Section I gives rise to a total or partial interruption of operation of the insured Information Technologies (IT) equipment, the cost of hiring another computer to maintain your business operations are payable under this Section. This substitute IT system must not be a subject matter of insurance under this policy.

#### Basis Of Sum Insured

Typical costs are:

- Charges for use of substitute equipment
- Charges for hiring additional rooms
- Charges for use of a service computer center

- Employment of temporary staff
- Overtime payment for inhouse personnel
- Supplementary payment for shift work, Sunday and holiday work
- Expenses for applying other procedures

### **Indemnity Period**

The indemnity period is the maximum period allows for the premises to be rebuilt, re-equipped and restored fully to normal conditions in every way. This period normally is 3 t o 12 months - is determined by you depending upon the replacement period of the machinery to be insured.

### **Major Exclusions**

You shall not be indemnified in respect o f loss, damage or liability directly or indirectly caused by or arising out of or aggravated by:

- War and warlike operations, civil commotion of any kind as well as acts on the part of strikers and locked-out persons
- nuclear reaction, nuclear radiation or radioactive contamination;
- willful act or willful negligence 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)
- failure or interruption of gas, water or electricity services (certain exception being possible in special cases)
- wear and tear
- 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)

### **Payment of Premium**

- Premium must be made to your insurance intermediary or direct to us within 60 days from the inception of this Policy.
- Payment can be made by cash, credit card or cheques (cheques should be made in favour of our company).
- Insist on a receipt for the premium paid
- Contact us if you have not received the insurance policy after one month of purchase.

### **Duty of Disclosure**

You are to disclose all material facts that you know or ought to know; otherwise this policy may be invalidated.

### **Contribution**

If at the time of any loss or damage to the property there be any other subsisting insurance or insurances effected by you or your family members covering the same, we shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.

### **Excess/ Deductible**

It is the amount of loss you have to bear for each and every claim.

## **WHAT YOU SHOULD DO In The Event Of Injury**

### **Notification of Claim**

- You must notify us in writing with full details of the incident/accident as soon as possible within the time frame stipulated in your policy. Early notification is required to avoid any prejudice to your claim. Lodge a police report immediately if involving theft, accident and/or injury to third party.

### **Submission of Claim**

- You must submit your claim with all supporting information and documents as requested to us and give full cooperation to the adjusters appointed by us in assessing your claim.

### Duty of Disclosure of Claim Information

- You must provide answers to the Claim Form truthfully as any misrepresentation or concealment will prejudice your claim.

### HOW TO LODGE A Complaint And Redress Avenues Available



#### Write to either :

1. the Integrated Contact Centre of Bank Negara Malaysia via [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my); or
2. the insurance mediator of the Financial Mediation Bureau.

Alternatively, you could walk in to lodge a complaint at BNMLINK (please refer to [www.bnm.gov.my/bnmlink/index.htm](http://www.bnm.gov.my/bnmlink/index.htm)) or you could take your case to court.

For more information about Tokio Marine and our products and services, please log on to our website [www.tokiomarine.com](http://www.tokiomarine.com).

Tokio Marine Insurans (Malaysia) Berhad is licensed under the Financial Services Act 2013 and regulated by Bank Negara Malaysia.



