

**Form # CI801 (Rev. Aug 29, 2012)**  
**Computer Insurance**

**THIS FORM ONLY APPLIES IF INDICATED "COVERED" AND LIMITS SHOWN ON THE DECLARATIONS PAGE(S).**

**1. PROPERTY COVERED**

This Policy Form insures electronic data processing equipment and its component parts, which are property of the Insured or leased by, rented by or under the control of the Insured and for which the Insured is legally liable (the "**Insured Property**").

**2. EXTENSIONS OF COVERAGE**

This Form is extended to cover:

- (a) Data and Media, the property of the Insured or for which the Insured is liable. the term "**Media**" means the materials on which data is recorded. "**Data**" is the information stored on the media, including computer programs.
- (b) The necessary extra expense incurred by the Insured to continue normal operations which are interrupted as a result of physical loss by a peril insured against to the property covered, but only for the period of time required with the exercise of due diligence and dispatch to restore normal operations.
- (c) Newly Acquired Equipment. This Form is extended to cover, as of delivery date to the Insured, property of a similar nature to that covered, acquired by the Insured subsequent to the effective date of the policy. The Insured agrees to report such additions within 30 days from the date of such acquisition and to pay premium from the date acquired at pro rata of the policy rate.
- (d) Newly Acquired Locations. In the event the equipment that is already covered by this Form is moved to a new location occupied by the Insured, coverage will apply provided the Insured agrees to report to the company within 30 days from the date of occupancy.
- (e) Debris Removal. The company will pay for expenses incurred in the removal of all debris of the property insured which may be occasioned by loss caused by any of the perils insured against by this Policy Section. Insurance on such expenses shall apply in addition to insurance otherwise provided by this Policy Section.
- (f) Removal. Such insurance as is afforded by this Form applies while the property insured is being removed to and while at place of safety because of imminent danger of loss or damage and while being returned from such place.
- (g) Transit. To cover the property while in transit.

The Insurer's liability for each extension stated above shall not exceed 25% of the total amount of insurance or \$50,000.00, whichever is the lesser amount, except as may otherwise be provided in the Limits of Liability in the Declarations Page(s) pursuant to this Form.

**3. PROPERTY EXCLUDED**

This Policy Form does not cover:

- (a) Accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts, or other documents except as they may be converted to data form, and then only in that form;
- (b) Property rented or leased to others while away from the premises of the Insured;
- (c) Any data or media which cannot be replaced with other of like kind and quality.

**4. LIMITS OF LIABILITY**

This Liability of the Insurer shall not exceed the amounts stipulated as the Limit of Liability in the Declarations of this Policy Section in any one loss, disaster or casualty, including salvage charges or other expenses or all combined.

**5. PERILS INSURED**

This Form insures against all risks of direct physical loss of, or damage to, the Insured Property from any external cause occurring during the Policy Period, except as excluded herein.

**6. PERILS EXCLUDED**

This Form does not insure against loss, damage or expense caused directly or indirectly by:

- (a) Inherent vice, wear and tear, vermin, insects, gradual deterioration or depreciation;
- (b) Any dishonest, fraudulent or criminal act by any Insured, a partner therein or an officer, director or trustee thereof, whether acting alone or in collusion with others;
- (c) Dryness or dampness of atmosphere, extremes of temperature, corrosion, or rust unless directly resulting from physical damage to the data processing system's air condition facilities caused by a peril not excluded by the provisions of this Policy Section;
- (d) Actual work upon the property covered, unless fire or explosion ensues, and then only for loss, damage, or expense caused by such ensuing fire or explosion;
- (e) Error in machine programming or instructions to machine;
- (f) The enforcement of any provincial or municipal law or ordinance unless such liability is specifically assumed elsewhere in this Policy Section;
- (g) Delay, loss of market, loss of use or interruption of business;
- (h) Loss or damage caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (i) Contamination by radioactive material directly or indirectly resulting from an insured peril under this Form;
- (j) Interferences at premises by strikers or other persons with repairing or replacing the property damaged or destroyed or with the resumption or continuation of the Insured's operations; or
- (k) loss or damage caused directly or indirectly by any peril excluded in the Commercial Building, Equipment and Stock Broad Form.

**7. VALUATION**

**7.1 EQUIPMENT:**

"**Replacement Cost**" is defined as follows: The Insurer shall not be liable beyond the actual retail replacement cost of the Insured Property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated on the basis of the actual cash retail replacement cost of the property, similar in kind to that insured, at the place of and immediately preceding the time of such loss or damage, but in no event to exceed the Limit of Liability as cited in the Declarations Page(s) of the Policy.

**7.2 DATA & MEDIA:**

- (a) As respects data, "**Replacement Cost**" means the actual cost of reproducing the data, if not replaced or reproduced, then the cost of blank value of the media.
- (b) As respects media, "**Replacement Cost**" means the actual cost to repair or replace the property with material of like kind and quality.

**8. SYSTEMS BREAKDOWN INSURANCE EXTENSION**

The Insurer agrees to extend the insurance provided by this Form to insure against loss, damage or expense resulting from or caused by:

MECHANICAL BREAKDOWN OR MACHINERY BREAKDOWN;

SHORT CIRCUIT, BLOW-OUT, OR OTHER ELECTRICAL DISTURBANCE, except interruption of power supply, power surge, blackout or brown-out if the cause of such occurrence took place more than 100 feet (30.5 meters) from the Insured's location as cited in the Declarations of this Policy;

FAULTY CONSTRUCTION, ERROR IN DESIGN, OR ACTUAL WORK UPON PROPERTY COVERED, however this coverage does not apply to data processing media;

ELECTRICAL OR MAGNETIC INJURY, DISTURBANCE OR ERASURE OF ELECTRONIC RECORDS, except if damage occurs outside the Insured's location or if there is a change in the Insured's electrical power supply, such as interruption, power surge, or brown-out, which originates more than 100 feet (30.5 meters) from the Insured's location as cited in the Declarations of this Policy;

**9. SYSTEMS BREAKDOWN COVERAGE DEDUCTIBLE**

Each and every loss caused by a peril insured under this SYSTEMS BREAKDOWN INSURANCE EXTENSION portion of this Policy Section shall be adjusted separately and from the amount of each loss a sum equal to that amount cited in the Declarations of this Policy shall be deducted. This deductible does not apply to loss caused by lightning.

**EXCEPT AS OTHERWISE PROVIDED IN THIS FORM ALL TERMS, PROVISIONS AND CONDITIONS OF THE POLICY SHALL HAVE FULL FORCE AND EFFECT.**

SAMPLE