

Computers

This special rider covers the cost of replacing any item that involves computers and data. It could cover renting the hot or cold site. Computer riders assume that you back up data appropriately and often, and that you can get the data operational at the alternate site. The insurance policy will not cover reconstructing the lost data. The policy could cover the "recovery" of the physical data: floppies, tapes, disk drives, and optical and laser discs.

Computer riders cover drying, cleaning, and reconditioning or recertifying the computer equipment. The more expensive the equipment, the more the insurance company will insist on recovery and recertification of equipment.

This portion of the insurance policy will include "functional replacement." This is the correct type of replacement policy; for it means that if you have older equipment, it will be possible to purchase newer equipment.

The computer rider should be updated to include new equipment and configurations so the policy remains adequate. Note the monetary and time limitations for recovering full computer operations. It usually covers expenses and rental for two months.