

# Electronic Equipment Insurance (EEI)

## What does this mean?

Electronic Equipment Insurance (EEI) is a specialised insurance policy designed to protect electronic devices and systems against sudden and accidental damage.

It covers repair or replacement costs for electronic equipment used in homes, offices, hospitals, and businesses.

Unlike basic property insurance, EEI protects equipment from operational and technical risks in addition to external events.

In simple terms, EEI protects electronic equipment from both external and internal risks.

## Why is this Important?

### **Electronics are critical assets**

Businesses and households depend heavily on electronic devices for daily operations.

### **Covers accidental and electrical damage**

Electronic equipment is sensitive and vulnerable to power fluctuations, short circuits, and handling damage.

### **Reduces downtime and financial loss**

Repair or replacement costs can be high and disrupt work or business operations.

### **Broader coverage than standard property insurance**

Standard policies may not fully cover electrical or mechanical breakdowns.

## How does it Work in Insurance?

The electronic equipment is listed and valued based on replacement cost.

The Sum Insured is fixed according to the equipment value.

If the equipment suffers accidental damage or breakdown due to covered risks, the insurer pays for repair or replacement.

Claims are settled after inspection and loss assessment.

Coverage applies during operation, at rest, and during maintenance.

## What Equipment is Covered?

### Typical inclusions

Computers and servers

Laptops and networking equipment

Medical equipment and diagnostic machines

Office automation equipment

Audio-visual equipment

Telecommunication systems

Security and surveillance systems

## What Risks are Covered?

EI typically covers:

Accidental damage

Short circuit and electrical surge

Voltage fluctuation and power failure

Fire and lightning (if included in policy)

Burglary and theft

Water damage and natural disasters

Human error and negligence

Coverage varies by policy wording.

## **What is NOT Covered?**

### **Common exclusions**

Normal wear and tear

Gradual deterioration

Intentional damage

War and nuclear risks

Software or data loss (unless add-on is taken)

Data and software usually require separate coverage.

## **Where is it Applicable?**

EEL is commonly used in:

Offices and IT companies

Hospitals and diagnostic centres

Schools and universities

Manufacturing units

Media and broadcasting companies

Homes with high-value electronics

## When Should You Take EEI?

You should consider EEI:

When purchasing expensive electronic systems

When running a business dependent on technology

When upgrading office or medical equipment

At policy renewal when equipment value increases

## Simple Example

A diagnostic centre insured its MRI machine under EEI for ₹80 lakh.

A sudden voltage surge damages the machine. The insurance policy pays for repair and replacement as per policy terms, helping the centre resume operations quickly.

## Key Points to Remember

Specialised insurance for electronic equipment

Covers electrical and accidental damage

Broader than standard property insurance

Data loss requires separate add-on

Essential for tech-dependent homes and businesses

## Simple Summary

Electronic Equipment Insurance protects electronic devices and systems from accidental and electrical damage, ensuring quick repair or replacement and reducing financial loss.