

Insurance Times: EDP insurance exposures and coverages analyzed by Academy
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The Academy of Producer Insurance Studies has published a monograph, "Complete the Circuit: Insuring EDP Exposures," to help agencies cover most of their clients' gaps and new exposures created by e-technology. This study explains what coverage and coverage gaps exist in commercial policies, now that the Internet and e-commerce have so significantly changed the rules.

Complete the Circuit was written by John J. Southrey, CIC, LUTCF.

A survey of over 350 agents was used to analyze how agencies are currently marketing and writing EDP coverage. The results produced some interesting facts and figures:

- 8% of agencies' insureds had EDP losses (over the past two years) where the carrier denied coverage.
- 78% of agencies reported that carriers' EDP policies most often value computer equipment and data in the event of a covered loss by using replacement cost value.
- 59% of agencies most often provide coverage for EDP property in the typical commercial account by using a BOP or Commercial Property Policy with a broadened property endorsement.
- 42% of agencies reported receiving the objection of, "Our equipment is covered by warranty," when soliciting prospects or clients for EDP insurance.

The Academy of Producer Insurance Studies is the research and development arm of The National Alliance for Insurance Education & Research in Austin, Tex.