

EQUIPMENT CLAIM TIMES

A Newsletter From Equipment Damage Consultants

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Stolen/Damaged Computers - Must the Software also be Replaced?

The answer to this question, as is the case with so many issues, is that it depends. The answer depends not only on the software provider but also on the distribution method and the licensing agreement.

For example, on residential, school and small business computer losses, the most commonly claimed software for replacement is Microsoft® Office (Word, Excel, PowerPoint®, etc.). When replacement quotes are submitted, a version of Microsoft® Office is often included by the Insured. However, is this a reasonable claim cost?



In many cases, the answer is no. Software is licensed, not physically purchased. The end user is required to activate and register the software, as well as accept an End User License Agreement (EULA) to use the software. For programs such as the Microsoft Office suite, the common EULA for home/home office users stipulates that the user cannot install the licensed copy on more than one computer at a single time. However, if the original computer is stolen, lost or replaced, the user usually is able to re-install the software on the replacement computer, as long as the original computer is no longer used. This commonly is a straight forward installation from the original or "re-installation" CD.

Even if the software came pre-loaded on the original computer, most computer manufacturers (including Dell) always provide a re-installation CD, since this CD is the primary proof of license ownership, along with the corresponding Product Key (an alpha numeric code required to install the software) and Certificate of Authenticity (COA) number. If the Insured did not maintain a copy of the original or re-installation CD or at least record the Product Key and COA, then they have essentially lost proof of ownership of the software license. If the computer was purchased used from a third party or was received as a gift, the original owner is required to provide all copies of media (such as the CD) for the license to remain valid.



However, if the Insured no longer has the installation CD but did record the Product Key and COA number, all may not be lost. If the software was purchased at the retail level, the software provider will commonly provide a new copy of the installation CD or allow a download of the software from their web

site for a minor fee. For Microsoft Office, the fee for a replacement installation CD (s) is \$30 plus tax with the Product Key and COA number.

A problem arises when the software was pre-installed by the computer manufacturer (as an "OEM" version). A replacement CD may or may not be provided by the manufacturer, depending on the specific EULA and policies of the manufacturer. For Dell, the Microsoft Office product commonly is keyed to the individual computer. Depending upon who is contacted at Dell, you will receive different answers on if the software can be ported to a replacement computer for one that was stolen. However, Dell will not send a replacement Microsoft Office installation disk if the original disk is lost or stolen.

Please note that the discussion above is based on the example of commonly used software products such as the Microsoft Office Suite, and is primarily based on home and home office usage. Other software and some business, educational and government licensing agreements may be subject to different terms of use. For example, some business and educational Microsoft Office licenses allow for the concurrent use of two copies of the software - one for a desktop and one for a laptop computer per person. Always review the software provider's User License Agreement for the Insured's particular version of the software prior to making any claims decisions.

A future edition of the Equipment Claim Times will explore the unique licensing and "hardware keys" associated with some industry specific (e.g., parts suppliers, medical offices, etc.) and custom software.

Reporting of Stolen Computers

We highly recommend that in addition to reporting a stolen computer to the police, that the Insured be advised to register the stolen computer with the manufacturer. Although it remains a low probability, occasionally the missing computers are recovered if they are brought in to a manufacturers' representative for repair, or on-line technical assistance is sought from the manufacturer using the stolen computer's service code. Dell is the only major manufacturer that has a direct reporting process. However, information can still be reported directly to the manufacturer via a phone call, email or one of the following registration links:

- [Dell](http://support.dell.com/support/topics/global.aspx/support/dellcare/en/stolen_system) Theft Report (http://support.dell.com/support/topics/global.aspx/support/dellcare/en/stolen_system)
- [HP](http://wwemail.support.hp.com/fd2/EmailForm?countrycode=us&langcode=en&sni=fd2-regsupport-en&lang=en&cc=us) Registration Information (<http://wwemail.support.hp.com/fd2/EmailForm?countrycode=us&langcode=en&sni=fd2-regsupport-en&lang=en&cc=us>)
- [Toshiba](http://www.toshibadirect.com/td/b2c/customerservice.to?cm_re=ContactUs-_-SupportLinks-_-clickhere#contact1) Customer Service (http://www.toshibadirect.com/td/b2c/customerservice.to?cm_re=ContactUs-_-SupportLinks-_-clickhere#contact1)
- [Sony Vaio](http://esupport.sony.com/perl/support-contacts.pl?template=EN) Customer Service (<http://esupport.sony.com/perl/support-contacts.pl?template=EN>)

Next Newsletter Topic: Extended Warranties

Please address any comments or questions on these articles via email to Mark Krzyzanowski at mark@eqdamcon.com. Please also feel free to suggest newsletter article topics related to technology equipment and property claims.

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