
INSIDE THE CHUBB MARKET

April 2007

MASTERPIECE FINE ARTS INSURANCE

Building a fine art collection involves many decisions and requires careful balancing of one's personal tastes, lifestyle and financial investments. However, not all collectors will take the same care in selecting the right insurance for their works of art.

Very often, they will settle for a basic, low-cost home contents policy to insure their valuable collection and may not realise that such policies rarely cover the full value of their artworks, and in the event of a loss, they may receive less for the damaged item than what it is really worth.

Find out more about **Federal's Masterpiece** insurance policy that provides comprehensive coverage for your clients' fine art collection - a policy that not only pay to repair the damage but also pay cash for any **loss in market value** that it has incurred up to its sum insured.

Below is an educational article to share with your clients on what are the factors to consider when selecting a suitable insurance policy for their fine art collection.

HOW TO PROTECT YOUR MASTERPIECE

Safeguarding collections of fine art and antiques is just as important as finding and purchasing them. After all, if you have put a lot of effort into building your collection, the last thing you need after a theft or damage to your art is to find out you have inadequate insurance!

Owners of valuable art should be aware that many general insurance policies do not provide appropriate cover for fine art. In fact, there are policies on the market that will fall well short of adequately covering a collection of art when it comes time to make a claim.

That's why if you have expensive possessions it's important to be covered by a specialist fine art insurance company that will appreciate the value of your art and your attachment to it. A professional fine arts insurer should be willing to tailor cover to you based on your specific assets and your insurance needs.

HOW TO GET THE MOST OUT OF YOUR COVERAGE

Here are some tips on protecting your valuables and getting the most out of your insurance policy.

- Look for an insurer that specialises in insuring prestige homes and fine art. Often these insurers offer additional benefits over standard home and contents insurers. A good insurer will visit your home to understand its true replacement value and also offer advice and direction on appropriate fire and burglary protection for your home and valuables.
- Keep valuations of your fine art up to date. Federal Insurance Company recommends valuations every three years to ensure that you know their current market value.

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- Itemise every piece of art on your policy to ensure you receive the right cover for your entire collection. Be aware – many household insurance policies will not provide the appropriate cover for your fine art if it's not itemised on your policy. Moreover, they may enforce an excess and/or depreciate your insured cover. When supported by valuations, an itemized coverage option allows you to determine the insured value of each of your possessions.
- Ensure that your policy covers your fine art for loss of market value. This means that if your work of art is damaged, your insurance company will not only pay to have it restored but will also reimburse you for any loss in market value it suffers.
- Look for a policy where you can choose between either a cash settlement or restoration services. In some cases insurers only provide a lump sum payment for covered claims. However, if your assets are of high financial or sentimental value you should be able to have them repaired or replaced. The best insurance policies will give you this choice.
- Consult with fine art experts to ensure correct procedures are in place to best maintain your collection. For example, hanging the artwork, positioning the artwork in the room and installing the correct fire and burglar systems.
- Finally, do your homework when choosing an insurance company. With any insurance, you should always ensure that you are with a reputable insurer that is financially secure and recognized for handling claims well.

It is important that your financial investment in your art collection is protected. Realising that your insurance is inadequate when it comes time to make a claim adds more anxiety to an already highlight stressful situation. Peace of mind and confidence in your insurer can only be achieved when you have ensured all the key elements of a policy for your precious possessions are covered.

For more information on how to protect your masterpiece, please contact your insurance broker and/or visit our company, Federal Insurance Company (one of the Chubb Group of Insurance Companies) website at www.federalinsurance.com.sg or call our *Masterpiece* hotline at (65) 6510-7372.



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