

Art

5

Steps to preserve the value of inherited artwork

The next 30 to 40 years will see an unprecedented transfer of wealth, including collections passed from one generation to the next. While the younger generation may appreciate the art they've inherited, they may not know exactly how to keep its value intact for years to come. If you have inherited artwork, or foresee doing so in the future, here are a few steps you can take:

1. Get the right insurance.

While typical homeowner's insurance will cover your home's contents, it may not provide enough coverage to fully protect valuable artwork. Ask your insurance broker about insurers who specialize in fine art and developing strategies for insuring artwork. For example, a collection of five Old Master paintings that will be split between New York and Amsterdam may demand different coverage considerations than a dozen works by emerging artists that will stay in one home.

2. Keep all the paperwork.

A piece's provenance, the history of its ownership, is central to its value and can help to establish clear title should legal challenges arise. That's why it is essential that you keep all documentation related to the collection and ownership history of your newly acquired artwork, including original invoices, appraisals, fact sheets that describe the artist or the process of creating the piece, conservation treatment reports, and certificates of authenticity.

3. Create an inventory.

Whether you are beginning an art collection or adding to one, you will need an organized system to track new items and their location. You can use a simple spreadsheet, cloud-based platform, or something in between. If you have many pieces, you may want to hire a professional collections manager or registrar to help. Keeping track of each item, its value, and location will also help expedite a claim in the event of a loss.

4. Update the appraisals.

Some market segments, like Post-War and Contemporary art, can change value relatively quickly. If your new pieces have appraisals, check to see when they were done and their purpose – and potentially get new ones. If artwork was passed down, a fair market value estate appraisal may have been done. However, insurance appraisals use replacement value, which is typically the highest value of an item.

5. Protect and preserve your artwork.

If you're inheriting art, you may want to engage with experts who are familiar with the type of artwork in your collection. For example, if you inherit an outdoor sculpture, you'll want an objects conservator to help maintain it properly. Since transit and installation are among the biggest culprits of art loss, make sure you choose a professional shipper and installer with expertise in handling art to avoid damage. You'll also want to preserve your artwork by putting it in a controlled climate, away from direct sunlight and air vents, and install a centrally monitored fire detection system and security system, if you don't already have one. These tips can help you protect the value of your newly acquired art, so you can enjoy it for years to come.

Chubb. Insured.SM