



CHUBB®

Your guide to insuring fine art

Policies, services and more



Helping your clients understand the importance of protecting their fine art

The power of the fine art market

Over the past decade the art market has become truly global. As new audiences gain exposure to artwork and access to the market, there are more collectors than ever before. Sales have trended upward with record setting prices achieved at auction and through dealers, including \$179.4 million for a Picasso painting sold at Christie's in 2015.

Recent trends

In recent years Post-War and Contemporary works have surpassed Impressionist and Modern as the highest grossing segments of the market. This largely reflects a generational shift in collecting. Additionally, art has become more accessible as collectors can now view and buy art online, at art fairs, and through social media platforms like Instagram. While most collectors buy art as a passion, there are a growing number of collectors buying art with an eye toward investment.

Collector Profiles: Passion vs. Investment

In general, those collecting as a passion tend to buy what they love and keep their artwork on display, as opposed to storing items. They may be more focused on aesthetics than protection - for example the wall over a fireplace may be a focal point of a room, but it is not an ideal location if the fireplace is actively used. If an item is damaged, these collectors are often more likely to want the work restored to its original condition.

Collectors buying for investment often buy works by Post-War and Contemporary artists, market segments which have seen significant growth in recent years. Investment minded collectors can have a higher level of transit exposure as items are bought and sold frequently, loaned out to museums to increase their exposure, or moved into storage facilities if display is not a priority.

Christie's and Sotheby's auction sales
2005-2015 by category (in millions of U.S. Dollars)



Source: ArtTactic



What can you say to your clients?

If your clients don't believe they need insurance to protect their fine art, here are a few things you can say that might help convince them:

Your homeowner's policy may not cover your fine art.

A typical homeowner's policy is designed primarily to protect your home, personal liability and the general contents of your home. Relying solely on your homeowner's policy may mean you'll be paying significant out-of-pocket expenses if your fine art is lost, stolen or damaged.

Fine art insurance policies provide "all-risk" coverage for most causes of loss, with no deductible. Some insurance companies cover fine art items valued at less than \$250,000 without an appraisal. Collectors just need a good description and photograph of the item as well as the estimated value.

The right policy can do more than provide cash for a loss.

Caring for your fine art collection can be complicated. If you're not sure how to best do this, you'll want experts on hand to help.

You will want a company that provides a full suite of consultative collection management services to complement their policy. Their highly trained in-house Fine Art & Collections Specialists can provide:

- A collection risk assessment at your home, office or off-site location
- Guidance on proper storage and display conditions
- Fire protection and security recommendations
- General advice about preserving your collection
- Referrals to art professionals

If your fine art is lost or mysteriously disappears, you'll want to replace it.

Most homeowner's policies exclude coverage for lost or misplaced items (sometimes referred to as "mysterious disappearance").

The right fine art policy will cover misplaced, lost or stolen items. And, if the market value of an itemized article exceeds the amount listed in the policy right before it is lost or stolen, some high net worth companies will pay the higher market value, up to 150% of the itemized amount, so that you can replace the item with one that is comparable.

If your fine art is damaged, you'll want it restored to its original condition

Many homeowner's policies exclude coverage for breakage of fragile items, like crystal, china and porcelain.

The right insurance policy will automatically cover you for breakage. It will also cover your newly acquired artwork for up to 90 days, for up to 25% of the total itemized fine art coverage. That way, you don't have to worry about getting insurance for each item on the day it's purchased.

You may need to have your fine art transported. Make sure your items are covered at all times.

The majority of fine art losses occur while items are in transit. Your insurance company should be able to provide referrals to vetted art transporters you can trust.

An abstract painting featuring a vibrant palette of blues, greens, yellows, and purples. The composition is composed of bold, geometric shapes and expressive brushstrokes, creating a dynamic and textured visual field. The colors are layered and blended, giving the artwork a sense of depth and movement.

Help your clients understand the importance of protecting their fine art.

With the market for fine art on the rise, it's more important than ever for your clients to protect their valuables and ensure that they can be replaced if they are lost or stolen, or repaired to their original condition if they are damaged. Chubb's Masterpiece® Valuable Articles Coverage provides the highest quality protection, unparalleled claim service and can even help in caring for your delicate and valuable fine art. That's real peace of mind for your clients.

To find out more about how Chubb can protect your clients' valuables, contact your local Chubb Representative.

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