

Art Fairs: The New Market Place

# INSURANCE COVERAGE CONCERNS

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Willis



Museums vs. Dealer vs. Collector

# COVERAGE DIFFERENCES

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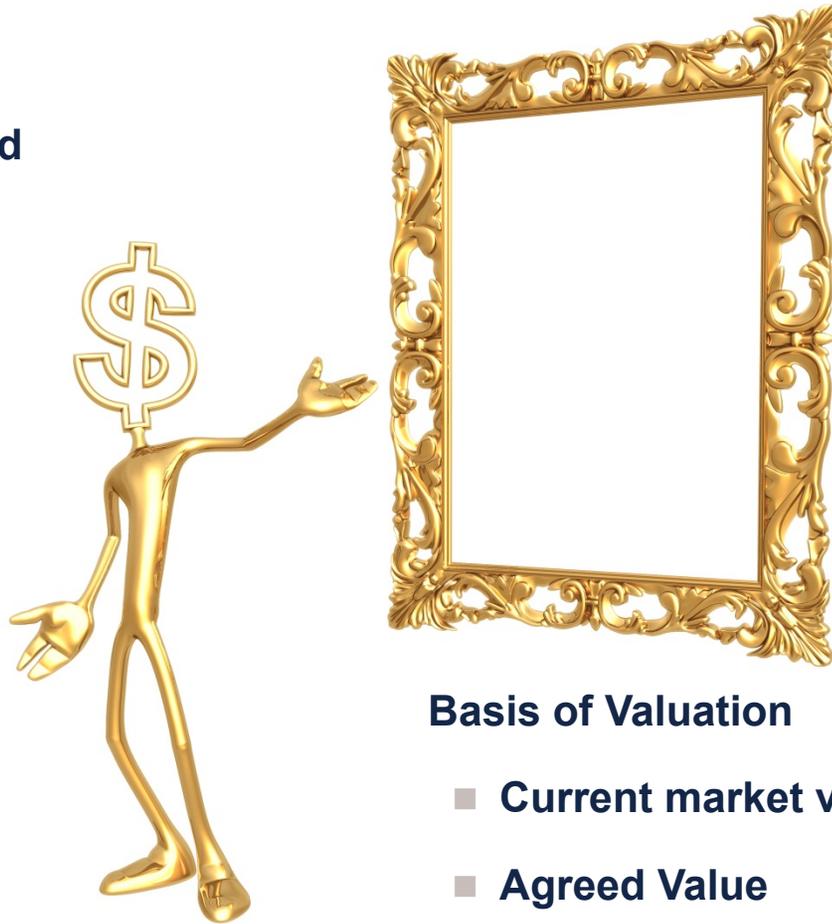
# Museum Collections and Loans Insurance

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What type of property is covered and how will it be valued?

## Property Covered

- Property of the Insured
- Property of Others
  - Loans
  - Gifts awaiting acceptance



## Basis of Valuation

- Current market value (CMV)
- Agreed Value

# Dealers Inventory Insurance

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What type of property is covered and how will it be valued?

## Property Covered

- Property of the Insured
- Property held by the Insured
- Property Sold but not delivered
- Joint account
- Property of Others

## Basis of Valuation

- Inventory value at cost plus 30% or selling prices less 20%, whichever greater
- Selling Price: sold but not delivered
- Agreed amount plus 10%: consigned
- Current market value (CMV)

# Private Collections Insurance

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What type of property is covered and how will it be valued?



## Property Covered

- Property of the Insured
- Property of Others
- Interest in jointly owned property
- Newly acquired property

## Basis of Valuation

- Scheduled value
- Purchase price
- Current market value (CMV)

# Coverage Comparison

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## Museum vs. Dealer vs. Collector

Museum	Dealer	Collector
New Acquisitions: automatic coverage	New Acquisitions: Automatic coverage	New Acquisitions: automatic coverage <i>up to 90 days</i>
BoV: Current Market Value, Agreed Value for Loans	BoV: Cost plus 30% or selling price less 20%; Selling price for works sold but not delivered	Scheduled Value (or Current Market Value), Purchase Price for new acquisitions
Coverage in Transit: Yes	Coverage in Transit: Yes	Coverage in Transit: Yes
Coverage for Property of Others: Yes	Coverage for Property of Others: Yes	Coverage for Property of Others: Yes



Museums vs. Dealer vs. Collector

# **NEWLY PURCHASED ARTWORKS, WHO INSURES ?**

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# **Artworks newly purchased at fairs**

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**Museum, Dealer and Collector policies can ALL provide coverage for items that are newly purchased at an art fair.**

**If the dealer provides coverage:**

- The acquired works will be insured at the selling price
- Coverage under their policy will cease when delivered to the buyer

**If the museum provides coverage:**

- Coverage is automatic under the museum policy
- The works will be valued at current market value
- Coverage for works while still on fair premises, (unnamed location) while in transit, subject to limit on Declarations Page

**If a collector provides coverage:**

- Coverage (worldwide) is automatic for 90 days
- The works will be valued at purchase price
- Coverage for works while still on fair premises, while in transit to and while at the Premises of the Collector

**So Who Insures? - Get It Agreed In Writing**

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# Conclusions

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## Museum vs. Dealer vs. Collector

- **Museum, Dealer and Collector policies can provide coverage for works that are purchased at a fair.**
- **The valuations under each policy vary slightly.**
- **Get a written agreement stating who will provide coverage for the work immediately following the purchase while at the fair and while in transit to the buyer, or designated delivery point.**
- **Before agreeing to provide coverage under your Museum policy:**
  - Consider who will be overseeing the packing and shipping of your artworks.
  - Review your policy limits to ensure that your coverage is able to accommodate the new acquisition at the fair, in transit and when it arrives on your premises.
- **Inspect your new works upon delivery and report any issues promptly.**