



Insuring Your Valuables

Useful Risk Management and Insurance Recommendations for Homeowners

Presented by: The CIMA Companies, Inc

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Insuring Valuables

Most Homeowners Insurance policies have stringent limits on coverage of valuables:

- ◆ As little as \$1,000 of jewelry
- ◆ Up to \$2,000 on firearms
- ◆ Up to \$2,500 on silverware
- ◆ May not cover loss through theft, accident or natural disaster

A **valuable items endorsement** provides higher limits (as high as \$50,000), which is enough for many homeowners. Others require separate policies for sufficient coverage.

Insuring Valuables

Items that may require additional coverage:

- ◆ Jewelry
- ◆ Silverware
- ◆ Heirlooms(furniture, paintings, etc.)
- ◆ Rugs
- ◆ Musical instruments
- ◆ Fine art
- ◆ Antique china, crystal, decorative items
- ◆ Designer appliances
- ◆ Furs
- ◆ Vintage wine
- ◆ Collectibles (stamps, coins, glassware, etc.)
- ◆ Firearms
- ◆ Computers

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Conducting a Home Inventory

- ◆ Take detailed photos of every room in your home.
- ◆ Photograph valuables against a white background.
- ◆ Place a common household item next to valuables as a size reference.
- ◆ Take photos of the serial numbers of your appliances.
- ◆ Store digital copies in a safety deposit box, in your home and at your office.
- ◆ Use video to document the same details.

Conducting a Home Inventory

Complete a home inventory checklist, itemizing all possessions. Be sure to include the following:

- ◆ Item description
- ◆ Date Purchased
- ◆ Quantity
- ◆ Current Value
- ◆ Purchase Price
- ◆ Retailer's Location

Actual Cash Value vs. Replacement Cost

Actual cash value (ACV) is the value of property minus depreciation

- ◆ Depreciation determined based on various criteria, accounting for wear and age of the item.
- ◆ Insurance company pays depreciated value.

Replacement cost is the value of property as if new.

- ◆ Item replaced based on value of other property that is made of comparable materials and is used for similar purposes.

Actual Cash Value vs. Replacement Cost

Keep in mind:

- ◆ Replacement cost allows you to replace the cost of yesterday's purchases at today's prices (less deductible).
- ◆ The ACV pays significantly less for your damaged or stolen valuables.
- ◆ You must have proof of your belongings (checklist, photos, videos)

Insurance Options

- ◆ Take out a valuable items endorsement for furs, antiques and jewelry.
- ◆ Provides coverage for many types of losses, except nuclear explosion, war and intentional destruction.
- ◆ Take out a blanket endorsement for collections in which no one item is worth more than \$2,500.
- ◆ Covers the entire collection at one agreed-upon amount.

Insurance Options

- ◆ Endorsements typically have a lower deductible than your Homeowners Insurance policy.
- ◆ Endorsements generally include “mysterious disappearance” coverage—covers losses when the cause is unknown.
- ◆ Keep a keen eye on the value of items and collections. Since they fluctuate in value, adjust your coverage accordingly.

Insurance Options

Things to consider:

- ◆ Limits on a policy covering breakable items such as china and statues should also cover breakage.
- ◆ When having high-ticket items appraised, use specialized appraisers.
- ◆ Example: An appraiser specializing in rare sports memorabilia should appraise a baseball card collection.
- ◆ Your jewelry policy should cover replacements with similar quality and type of items.
- ◆ Installing a security system may qualify you for a discount.

Insurance Options

Homeowners Policy	Limited coverage on dollar amount and type of loss that can be recovered.
Valuable Items Endorsement	Enhances coverage by providing higher limits and expanded protection for special property.
Valuable Items Policy	Essential for coverage of extremely valuable items , such as a ring valued at >\$10,000 or a collection of fine arts valued at >\$50,000. <ul style="list-style-type: none">• Higher limits of coverage• Covers more perils• Provides worldwide coverage• Can be expanded to provide loss due to breakage
Floater	Covers one specific item that is easily movable. Can be an endorsement or separate policy.

Newly Acquired Property

- ◆ Many policies insure up to 25 percent of total scheduled insurance for up to 30 days from date of purchase.
- ◆ For fine arts, you may have up to 90 days to notify agent.
- ◆ You need not notify your agent the moment you buy a valuable item.
- ◆ However, avoid delay—automatic coverage lasts for a limited time!

Insuring Antiques

- ◆ Have all antiques appraised.
- ◆ Keep inventory, copy of recent appraisal, measurements and photos in a safety deposit box.
- ◆ Hire a specialized appraiser with experience looking at items similar to yours.
- ◆ If you plan to take your antiques to shows, consider a floater policy and worldwide all-risk coverage.
- ◆ Notify The CIMA Companies, Inc when you purchase a new item so it can be added to the policy.

Insuring Art

- ◆ Insure your art for as much as possible.
- ◆ Hire an independent art appraiser who can provide you with a statement of value.
- ◆ If you have sales receipts and authenticity information, keep them in a safety deposit box.
- ◆ Have your artwork reappraised periodically and adjust coverage as necessary.
- ◆ Minimize your risk of losing several pieces of art at once by placing them in different locations (vacation home, office, primary residence).

Insuring Jewelry

- ◆ Have all jewelry appraised in store or by an independent appraiser. Have each piece listed separately with its value.
- ◆ Review your homeowners insurance policy to determine whether the value of your items exceeds policy limits.
- ◆ Store your most valuable jewels in a fire-proof safe or safety deposit box.
- ◆ Have jewelry inspected and reappraised frequently and update coverage accordingly.

Insuring Collectibles

- ◆ Homeowners insurance policies have limited coverage of collections—determine whether an endorsement/separate policy is warranted.
- ◆ Have collections appraised every 3-5 years and adjust coverage.
- ◆ List collection items separately on your policy.
- ◆ Assign each collection item a number for periodic inventories.

Insuring Family Heirlooms

- ◆ Make a list of family heirlooms that necessitate additional coverage.
- ◆ You may wish to split the cost of the policy with family members.
- ◆ To determine the current market value of replaceable heirlooms (furniture and china), use an antique pricing guide or consult an appraiser.
- ◆ Make copies of appraisal documents for family members and The CIMA Companies, Inc.
- ◆ Photograph heirlooms from various angles to establish their condition.

Insuring Family Heirlooms

- ◆ Purchase a floating insurance policy (a “floater”) if you have an heirloom that moves between family members or if you travel with the item.
- ◆ Each item requires a separate floater.

Insuring Electronic Equipment

- ◆ Increase your homeowners insurance policy to cover expensive electronics.
- ◆ To document how much you paid, keep receipts from electronics purchases in a safety deposit box.
- ◆ Purchase a computer insurance policy for your college student.
- ◆ Ask The CIMA Companies, Inc about damage to a laptop.
- ◆ Do not leave electronic equipment in plain view.
- ◆ Consider installing a security system for added protection.

Minimizing Your Risks

Consider these precautions to minimize the risk of theft:

- ◆ Always keep doors and windows locked to your home and car.
- ◆ Replace door locks periodically.
- ◆ When out of town, make your home appear lived in.
 - ◆ Place a hold on mail/newspaper at the post office.
 - ◆ Also, ask someone to mow grass or shovel snow.
 - ◆ Place lights on a timer in the evening.

Minimizing Your Risks

Consider these precautions to minimize your risk of theft:

- ◆ Put valuable items (jewelry, electronics, collectibles) in your carry-on instead of your suitcase when traveling.
- ◆ If you must remove jewelry when outside of the home, keep it in a secure place.
- ◆ Store valuable items out of sight when you invite guests into your home.

Insuring Your Valuables

Ensure that your valuables are properly insured.

Contact The CIMA Companies, Inc today for more information on endorsements, floaters or separate policies for your most prized possessions.