



# Protecting Your Personal Treasures: Valuable Items Insurance

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We all have our treasured personal belongings. They might include a diamond necklace passed down through generations, an antique pistol from the Civil War era, a customized racing bicycle, a set of rare comic books, a collection of silver coins, or a special violin.

Some of these items may be extremely valuable, others may only have sentimental value. It is possible you do not have any idea of their monetary value. Unfortunately, many people do not think about what they would do if their treasured items were damaged, stolen, or lost until it is too late.

### **Benefits of a Valuable Items Policy**

Valuable items insurance is a great solution. Many insurance companies offer this coverage, either as an endorsement to a homeowners policy, or as a stand-alone policy. It can be surprisingly affordable.

Homeowners policies automatically provide coverage for personal property, but there are limitations for certain categories of property, such as jewelry, furs, silverware, firearms, and others. A valuable items policy allows you to insure these items for their estimated replacement value.

Another benefit of a valuable items policy is that it provides very broad coverage and will cover an item if it is lost, missing, or accidentally broken. Most homeowners policies will only provide coverage if an item is damaged by a covered peril, such as fire or theft.

And, unlike a homeowners policy, a valuable items policy typically does not have a deductible.

### **Myths and Facts**

Why don't more people purchase a valuable items policy? Some of the reasons we hear include the following:

<b>Myth</b>	<b>Fact</b>
My valuable items are already adequately covered under my homeowners policy.	Most homeowners policies contain limitations and exclusions for certain categories of property. Loss by theft to jewelry or furs are typically capped at \$1,500 per loss. Silverware is typically capped at \$2,500. Items are typically not covered if they are lost or missing.

Myth	Fact
Valuable items coverage is expensive.	Cost can vary by category. Fine art can cost as little as \$0.15 per \$100 of coverage, and jewelry is around \$1.60 per \$100 of coverage. Many insurers provide discounts for taking security measures, such as having a home safe or alarm system.
Appraisals are required.	Some insurers do require appraisals. However, others may only require appraisals for items over a certain dollar value, such as \$50,000. Some companies offer “blanket” coverage, whereby a policyholder can choose a total value for all items within a category, subject to a “per item” limitation. (It is still a good idea to have items appraised, if you do not know their values and cannot easily research them online.)
My valuable items are already secure and not likely to be stolen.	The top risks of loss for jewelry are losing an item, or losing a stone from an item. The top risks of loss for fine art are accidental breakage, water damage, and damage caused by moving an item.

### What’s Covered?

Many types of property can be covered under a valuable items policy. The premium depends on the susceptibility of loss for the particular

category of items, the fragility and mobility of the items, and how well the items are protected from loss.

For example, jewelry is small and easily lost, and thus has a higher premium rate than large immobile items. If jewelry is kept in a home safe or a bank vault when not in use, a premium credit can be applied. A collection of heavy sculptures kept in a policyholder’s alarmed home would have a lower premium rate.

The policy premiums are generally calculated based on a flat rate per \$100 of coverage for the given category of property set by the insurer.

Categories of valuable items that may be included in a valuable items policy vary by insurer and can include the following:

- |                              |                               |
|------------------------------|-------------------------------|
| Antiques                     | Jewelry                       |
| Bicycles                     | Musical Instruments           |
| Cameras                      | Rare Coins, Stamps<br>& Books |
| China and Crystal            | Rugs                          |
| Couture/Designer<br>Clothing | Silverware                    |
| Fine Art                     | Specialty Sports<br>Equipment |
| Firearms                     | Wine & Spirits                |
| Furs                         | Other Collections             |
| Golf Clubs                   |                               |

### Ultra-High-Value Items and Collections

Specialty insurers can provide coverage for extremely valuable collections of jewelry, art, and collectibles.

For ultra-high-value items and collections, appraisals are required, and insurers often provide risk management services such as premises risk analysis, transit solutions, and home security recommendations.

Sometimes, valuable items are placed on loan to museums or provided for exhibits. Insurers can become involved with evaluating the facility's security and arranging protective transit, as well as insuring the items during the course of the loan.

### Protecting What You Treasure

Most of us will never own things like the Pink Star, a 59.6-carat pink oval diamond that sold at Sotheby's for \$71.2 million in April 2017, or "Salvator Mundi" by Leonardo da Vinci, which sold at Christie's for \$450.3 million in November

2017, but a valuable items policy is a very good investment to protect your growing wine collection, your antique train set, the estate jewelry handed down to you by your great-grandmother, or whatever it is you treasure most.

A licensed insurance agent or broker can help you determine the valuable items coverage most appropriate for your situation. If we can be of assistance, please contact Nancy Albanese, Vice President, Personal Insurance Division, at 610.527.1881.

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**610.527.1881 | [bmtc.com/insurance](http://bmtc.com/insurance)**

**Edward F. Lee, CPCU® | President**  
**[nlee@pcpbinc.com](mailto:nlee@pcpbinc.com)**

**Nancy K. Albanese, AAI® | Vice President**  
**[nalbanese@pcpbinc.com](mailto:nalbanese@pcpbinc.com)**



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