



Insuring Your Valuables  
Useful Risk Management and Insurance  
Recommendations for Homeowners  
Presented by: Anderson Insurance Agency

# 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

# In this Presentation...

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- ◆ Insuring Collectibles
- ◆ Insuring Family Heirlooms
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- ◆ Minimizing Your Risks

# 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 <b>extremely valuable items</b> , such as a ring valued at >\$10,000 or a collection of fine arts valued at >\$50,000. <ul style="list-style-type: none"><li>• Higher limits of coverage</li><li>• Covers more perils</li><li>• Provides worldwide coverage</li><li>• Can be expanded to provide loss due to breakage</li></ul> |
| 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 Anderson Insurance Agency 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 Anderson Insurance Agency .
- ◆ 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 Anderson Insurance Agency 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 Anderson Insurance Agency today for more information on endorsements, floaters or separate policies for your most prized possessions.