

Specie Products



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MS Amlin

What is Specie ?

What is Specie ?

- Insurance of valuable property such as precious metals, valuable documents and jewels

What examples ?

- Diamonds, jewellery and luxury goods
- Fine Art – Private Collectors / Corporate collectors / Touring Exhibitions / Museums (Loan & Permanent Collection) / Auctioneers / Specialist dealers and commercial gallery owners
- Valuable Cargo in transit and in Vault



Page 1

Specie – What are the covers we are looking at?

Fine Art (FA)

Jewellers Block (JB)

Private Collections (PC)



Page 2

Fine Art is

- Visual Art/ Aesthetic
- Rare
- Particular Value
- Collectibles



Fine Arts – can be defined as individual items, collections or sets that are of particular value due to their historical age, style, artistic merit or collectability

Page 3

What is covered under Fine Art?

Anything that can be bought and sold at auction

For Example:

- Paintings, works on paper and prints
- Sculpture and bronzes
- Antique furniture
- Ceramics and glass
- Gold & Silver
- Archaeological items

But it can also be:

- Collectables / Wine / Contemporary designed objects and furniture
- Archives, historic documents and books / Natural History Collections
- Vintage cars
- Stamps, coins and medals
- Public monuments/sculptures
- Installations / Conceptual Art




Page 4

FINE ART - What do we like?

Five main categories each with different characteristics and underwriting considerations

- Museums
- Corporate Collections
- Auction Houses
- Private Collections
- Travelling Exhibitions



Page 5

FINE ART - What to avoid?

- Collections belonging to Universities where they are not being kept in separate museums or institutions or where these assets are stored in basements.
- Standalone transits
- Gallery / Dealer business where it is a one off assured. Books of business which contain galleries / dealers are worth looking at, however.
- Shippers & Packers

Page 6

Fine Art – What do we cover

What is covered:

- Physical Loss or Physical Damage
- Cost of Repair due to damage to insured items
- Loss in Value due to depreciation post physical damage loss – not financial depreciation or wear and tear
- Limited to the value of the item – amount insured
- Pairs and Sets – total value of that pair or set



Page 7

Fine Art – What do we cover

Extensions:


- Transit / Wall to Wall / Nail to Nail
- New acquisitions – up to 60 – 90 days and limited up to 25% of total sum insured

Recovery Clause / Loss Buy Back

- Assured has right to repurchase recovered item
- Amount paid to assured and recovery adjustments
- Fair Market Value



Page 8

FINE ART - Basis of Settlement 

Agreed Value (preferred)

- Total Loss – the agreed value, regardless of changes in the art market
- Partial Loss – the cost of repair AND the depreciation in value of an item, as a percentage of the agreed value, as a result of damage
 - Assessed by independent experts
 - Depends on type of art and condition prior to loss

Market Value

- Total Loss – the fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts
- Partial Loss – the cost of repair AND depreciation as a percentage of the market value

Page 10

FINE ART - Values 

- Art values are very subjective
- High transaction costs means big difference between purchase and resale price.
- Values fluctuate quickly and wildly
- Agreed values – usual Basis of Valuation for private/corporate collections
 - Valuation from reputable, independent Appraiser provided at commencement
 - Remain constant in policy regardless of fluctuations in market value




Page 11


Fine Art – What we do not cover 

- Wear and Tear / Gradual Deterioration / Inherent defect / Rust or Oxidation / Pest and Vermin / Warping or Shrinkage
- Damage due to repairs / restoration / re-touching or similar process
- Losses in unattended vehicles
- Mechanical or electrical faults or breakdown
- Confiscation by or under order of the local authority
- Mysterious Disappearance and unexplained losses
- Named Exclusions (Nuclear / Radioactive / War / Cyber Attack / Terrorism / Sanction Limitation)






Page 12


Fine Art : Common Losses 

The most common reasons for loss or damage to Art and collectibles, all of which are covered under a fine art policy, are :

- Damage in transit
- Accidental damage
- Natural perils
- Theft
- Fire
- Water Damage

Page 13

Fine Art : Criteria 

What underwriter will consider :

- Type and condition of object(s)
- Type of material
- Methods of storage and display
- Frequency and methods of transportation
- Exposure to natural perils
- Quality of security managements
- Fire detection systems
- Loss history of the policyholder

Additional points can be considered include:

- Overseas transport and the potential for damage when under customs control
- Legality of materials, such as whale bone or ivory
- Whether the artist is living or dead
- Collector vs investor

Page 14

JEWELLERS BLOCK 

What is Covered ?

- All Risks of Physical Loss & Damage which means that the Insurer must specify what is not covered. If a risk is not in the list of exclusions, it is covered.
- Typical risks that are covered are Burglary, Robbery, Shoplifting, Grab and Run, Trick Loss, in addition to the usual risks such as Fire.



Page 15

Jewellers Block : Who do we cover? 

Types of Trade

- Jewellery
- Retailers / Distributors / Manufacturers
- Within established Malls
- Pawnshops




Page 16

JEWELLERS BLOCK – Coverage 

- **Premises risk:** The items insured include assured's entire stock, regardless of whether it is the owner's or the items consigned to them. Bank notes are also insured where they come from the sale of insured goods.
- **Transit risk:** Transportation of collects ("travel")
 - Personal Conveyance Clause
 - Hotel/Motel Clause
 - Private Dwelling Clause
- Messenger Risk :
 - Entrustments
 - Sendings
 - Exhibitions




Page 17


JEWELLERS BLOCK – Basis of Settlement 

Stock

- Gold – at market replacement value
- Others – at cost price
- Property sold but not delivered to the purchaser – at Selling Price
- Property held by the Insured being the property of third parties – at the Insured's liability to owners thereof.

Business Contents (Furniture/Fixtures) - Replacement Value

Page 18

JEWELLERS BLOCK – Key Exclusions 

- Loss or damage by theft or dishonest deception committed by any employee
- Damage while the property is being worked upon
- Where goods are found to be missing during stocktaking
- Loss of or damage to property entrusted to the Assured by private clients solely for safe keeping.
- Loss of or damage to property insured whilst the same is being worn (except watches worn solely for the purpose of testing) or used by the Insured, any Principal, Director or Partner of the Insured, members of their families, relatives, staff or friends or whilst in their custody for this purpose.
- Theft or disappearance of or from unattended road vehicles
- War and Terrorism
- Nuclear / Radioactive / Cyber Attack
- Mysterious disappearance and unexplained losses

Page 19

JEWELLERS BLOCK – What do we look out for? 

- Security and Controls
- Safe – Who has the keys and combinations?
- Travel arrangements
- Value at risk
- Location and Aggregation
- Fraud
- Limits – inside and outside business hours / window smash
- Outward entrustments
- Loss Record




Page 20

JEWELLERS BLOCK – Common losses 

- Shoplifting
- Snatching
- Break-in
- Smash and grab
- Switching
- Slight of hand
- Theft by deception
- Armed Robbery
- Goods entrusted to third parties
- Misappropriation by employees
- Mysterious disappearance
- Fire
- Water damage – burst of pipe and flood




Page 21

PRIVATE COLLECTIONS – What is insurable? 

Anything owned by an individual that can be bought and sold at auction

Examples:

- Works of Art – Paintings
- Sculpture and bronzes
- Antiques (including furniture)
- Crystalware/ Stoneware/ Silverware
- Collectables
- Vintage cars
- Jewellery/ Watches
- Luxury Handbags
- Wine collection



Page 22

PRIVATE COLLECTIONS – Coverage 

What is covered:

- Physical Loss or Physical Damage
- Cost of Repair due to damage to insured items
- Loss in Value due to depreciation post physical damage loss

Basis of Valuation:


- Agreed Value

Basis of Settlement:

- Total Loss – on agreed value
- Partial Loss – on Cost of repair and any depreciation in value of the item



Page 23

PRIVATE COLLECTIONS – Key Exclusions 

- Wear and Tear / Gradual Deterioration / Inherent defect / Rust or Oxidation / Pest and Vermin / Warping or Shrinkage
- Damage due to alteration / refurbishment/ re-touching or similar process
- Losses in unattended vehicles
- Damage while the property is being worked upon
- Willful act by the Insured or any person insured under the policy
- Theft, fraud or dishonesty omitted by anyone to whom the artwork is consigned / entrusted
- Damage to insured items at a hotel unless kept in a safe or in your actual personal possession or that of your employee.
- Confiscation, requisition by or under the order of any government or public or local authority
- War and Terrorism / Nuclear / Radioactive Contamination / Cyber Attack
- **For Wine only** – In addition to the above, Natural ageing / Ullage or natural loss of contents or inherent vice / Cork fly / Climatic condition / Aridity / Humidity / Exposure to light or Extremes of temperature / Any cause after a bottle has been opened / Substitution

Page 24

PRIVATE COLLECTIONS : Criteria 

What underwriter will consider :

- Who is the Insured – information of the individual person for KYC / AML checks
- Inventory details with individual values
- Details of premises / security details / fire protection
- Exposure to natural perils
- Past loss history




Page 25

Thank you.

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