

Insuring Your Diamonds

Insuring a diamond takes a bit of thought, planning, and shopping around. Diamond insurance isn't like purchasing car insurance. It is quite different. Depending on the state that you live in, there are basically three different types of policies that will cover diamonds, and all insurance policies that cover diamonds are considered Marine type policies.

The first type of insurance policies for diamonds is an Actual Cash Value policy. If the diamond is lost or damaged beyond repair, the insurance company will replace the diamond at today's market value, no matter how much you paid for the diamond to begin with. This type of insurance policy for diamonds actually is not that common.

The most common type of insurance for diamonds is Replacement Value insurance. The insurance company will only pay up to a fixed amount to replace the diamond that was lost or damaged beyond repair. This does not mean that they will pay that amount - it means that they will pay up to that amount. In most cases, the diamond can be replaced at a lower cost.

The third type of coverage offered for diamonds is Agreed Value. This is sometimes called 'Valued At.' This type of coverage is very rare. In the event that the diamond is lost or damaged beyond repair, the insurance company simply pays you the amount that you and the company agreed upon. This is the best type of insurance to have, but it is rarely offered. If you can't get Agreed Value coverage, Actual Cash Value coverage should be your next choice.

Your rates will be determined by the value of

the diamond, the type of coverage that you select, and the area that you live in. If you live in an area with a high crime rate, you can expect to pay more for your diamond insurance coverage. It is important to remember that insurance agents are not qualified jewelers, and jewelers are not qualified insurance agents. It is best to get a certificate for your diamond, and to provide the insurance company with a copy of that certificate. This leaves the insurance company less room for arguments over the actual value of the diamond.

Don't rely on separate coverage to cover your diamond. For instance, if your diamond is stolen from your home, it is probably covered on your home owner's insurance policy - but the diamond probably won't always be in your home, and once it leaves your home, there is no coverage.

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