

Protecting Valuable Articles

Compiled from information provided by Chubb Insurance Company

Protecting Your Jewelry

Many people take steps to protect their jewelry by installing alarms in their homes or having their valuables checked annually for loose stones. But there's still risk. According to the U.S. Department of Justice, nearly \$1 billion in jewelry and precious metals were stolen in the U.S. in 2001*. To balance your protection efforts, consider the coverage offered by a valuable articles policy. Here are some reasons why:

- Homeowners insurance may not be enough. Although some homeowners insurance policies provide more jewelry coverage than others, there are still limitations. To secure the broadest coverage available, purchase Valuable Articles coverage and have your jewelry "itemized." Each piece will be separately described and individually valued. With this agreed-value approach, you receive the itemized amount with no deductible or depreciation in the event of a total covered loss up to the amount of itemized coverage for that category of valuable articles. You'll also receive worldwide coverage on these scheduled items, as well as mysterious disappearance protection. So if your ring is lost or stolen on a trip in Europe, you won't have to worry.
- It's relatively inexpensive. Annual coverage for jewelry worn regularly costs about 1 to 3 percent of its appraised value. If you keep your jewelry in a bank vault, the cost to insure is greatly reduced-about one-third of the "standard" rate. The higher rate only applies when you take your jewelry out of the vault to wear it. Considering the peace of mind it provides, jewelry coverage is relatively inexpensive.
- It's not complicated. At Chubb, we only request appraisals for items valued at \$50,000 or more. For jewelry valued at less than \$50,000, all we need is a detailed description and value. (An appraisal is still recommended).

Understanding Jewelry Appraisals

An accurate and detailed jewelry appraisal will provide you and your insurance company with the information necessary to settle a claim fairly and quickly. For insurance purposes, you will want a "replacement cost appraisal", which can differ from other types of jewelry appraisals, such as a "fair market value appraisal" and an "estate appraisal". A replacement cost appraisal is a formal opinion of a jewelry item, offered by a certified gemologist, and it should verify the authenticity, design, quality and monetary value of the item. Your appraisal should contain the following information:

- A detailed description
- Shape and cut (including measurements and weight)
- Proportions
- Finish (including polish and symmetry)
- Color Grade. Diamond coloration is based on a scale of D (colorless) through Z (yellow). Since colorless diamonds allow the most light to pass through, they are the most radiant and the most highly valued.
- Clarity Grade. Almost all diamonds contain small traces of non-diamond crystals called "inclusions". Most inclusions are not visible to the naked eye and require magnification for viewing. Diamonds with no inclusions are quite rare and extremely valuable. The diamond clarity scale ranges from FI (flawless) to I3 (Imperfect: eye-visible inclusions).
- Estimated replacement value

It is also important to note that an appraisal differs from a diamond certificate (also called a diamond report). A diamond certificate is a document generated by a gemological laboratory that describes a loose diamond but does not offer any type of valuation. Diamond certificates are not created for mounted or set stones. The key difference between a certificate and an appraisal is that a certificate does not offer a value for the jewelry item. For this reason, an appraisal is needed for insurance purposes.

For more information on diamond grading and evaluation, you can visit the Gemological Institute of America's Web site at www.gia.org.

Jewelry Care

With Valuable Articles coverage, your jewelry can be itemized, with each piece described and individually valued on your policy so you don't have to worry about an accidental loss, chipped stone or stolen item. You can also help prevent jewelry losses or damages by following these simple tips to properly care for your valuables:

Preventing Damage

Always separate jewelry items by storing them in soft cloth in a jewelry box or a safe deposit box. Obtain fabric pouches from a jeweler or retailer. Make sure you leave enough space for each item in a jewelry box or storage area. Twisting and bending of semi-rigid chains and pieces can cause permanent damage.

Protecting from Loss

Consider a false-bottom container for storing jewelry. These are empty containers that appear to be common household items like food cans. Store these items in a practical place and make sure they are not mistakenly thrown away. Never keep jewelry in the pockets of clothing – often it is easily forgotten and unknowingly thrown in the washing machine or taken to the dry cleaners.

Guarding Against Theft

It's best not to keep your most precious jewelry in your bedroom or jewelry box. Statistics show that bedrooms are the first place burglars enter after breaking into a home. For optimum security, store valuable jewelry in a secure home safe, approved by Underwriters Laboratory (UL). When traveling, never pack your jewelry in your luggage, and always use a hotel vault or security vault when you arrive at your destination.

Caring for Specific Pieces

- **Watches.** Replace broken or scratched crystals immediately – even hairline cracks can allow dust or moisture into the mechanism, threatening its accuracy. Check your watch clasp periodically to prevent accidental loss.
- **Diamonds.** Even though a diamond is the hardest transparent substance known to man, it's still important to be careful. Be cautious while engaged in rigorous activity and when cleaning the diamond, use mild detergent or a sudsy ammonia bath. Never let your diamond come into contact with chlorine bleach, as it can pit and discolor the mounting. Have your prongs and mountings checked annually and your stone professionally cleaned at least once a year.
- **Pearls.** Pearls need special care since they can easily dry out and become damaged due to lotions, cosmetics and hairspray. Have your pearls cleaned and restrung regularly to prevent pearl strings from becoming stretched, weakened or soiled. Wash pearls with mild soap and water after each wearing. Over time, perfume, cosmetics and hair sprays can erode the quality of your pearls.
- **Gemstones.** Guard against loose settings by having prongs and mountings checked annually. Because each gemstone is different, check with your jeweler for specific care and cleaning procedures.

Protecting Your Fine Art Collection

Valuable Articles insurance coverage is one of the best ways to help protect your fine arts in the event of a loss, but there are several preventative and maintenance steps you can take to properly care for your collection:

1. Keep art collections out of direct sunlight. Ultraviolet light will cause severe and often irreversible damage to art, especially paper, textiles and photographs. Shut all lights when the room is not being used and keep curtains or shades drawn. In rooms containing many fine art items, consider installing UV filtering film on windows.
2. Never hang artwork or a valuable object over a fireplace. Heat, smoke and ash can easily ruin artwork.
3. Install smoke detectors, not heat detectors, in rooms with precious objects. A heat detector will provide little protection against soot or smoke damage. Install smoke detectors within 100 feet of the objects you wish to protect.
4. Do not store fine art or carpets in basements or attics. These parts of the home are susceptible to dramatic temperature changes, flooding and leaks. If possible, create an "art closet," with horizontal racks and a locked door. Wrap all fine items in archival materials, and store framed artwork face to back, in a vertical position.
5. Hire a professional and recommended art hanger. Objects must be hung correctly to ensure support and reduce the chance of falling. A professional art hanger is more likely to use the proper hardware and structural supports than a general contractor.
6. Keep your home at a constant temperature of approximately 75°F and 55% relative humidity. Since home thermostats are imprecise, install a compact digital thermohygrometer to monitor humidity and temperature.
7. Frame all art, especially paper, textiles and photographs using "museum quality" materials. Shatter-resistant fronts can shield damaging UV rays and other exposures, while corrugated polypropylene backings protect against water-absorption. Consult a museum-quality framer or conservator for specific advice about framing different mediums.
8. Install water alert sensors in areas of your home susceptible to water damage. These areas include above ceiling trays, underneath washers and dryers and radiators.

For more information about insurance protection for your valuable articles, please contact Dyste Williams at 952-593-5025.

The above information is advisory in nature. No liability is assumed by reason of the information in this document.