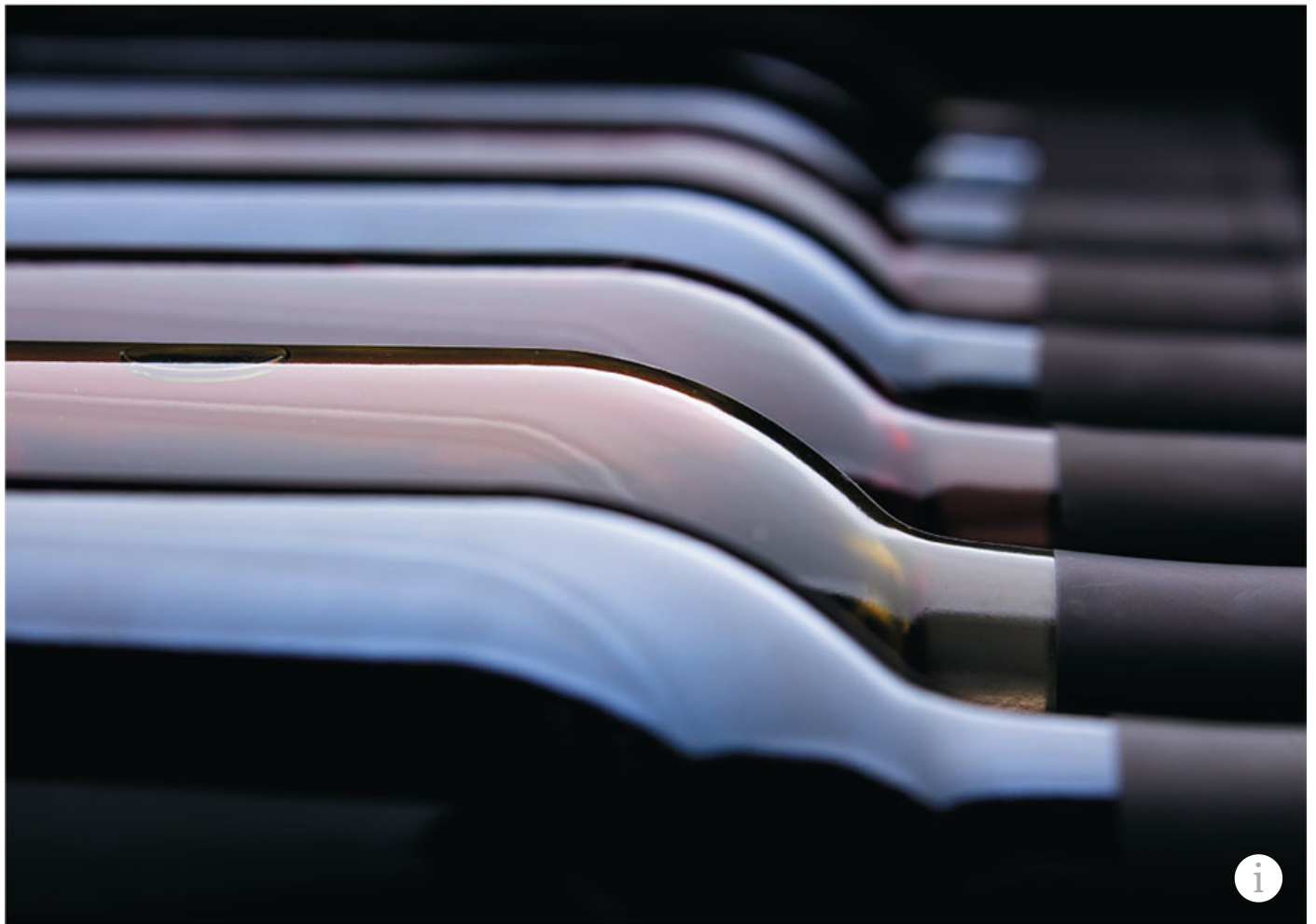


SMART AGENCY: SALES PIPELINE

Valuable Coverage

4 opportunities for agents and brokers to insure collectors

By Laura Doyle



Over the past two years—with extra time spent at home—a growing number of Americans have started to collect or have expanded existing collections of valuable items, such as art, wine and spirits, jewelry and watches, sports memorabilia, and classic cars, according to the inaugural Chubb Valuable Collection 2021 Survey.

As a growing number of collectibles find new homes, opportunities abound for independent insurance agents and brokers to connect with prospects and clients to make sure their valuables are properly insured and protected.

Here are four opportunities to offer insurance to collectors:

1) More people are collecting wine and spirits. Data from the survey reveals that many wine and spirits collectors are new to collecting. Specifically, 62% of wine collectors say their love of wine prompted them to start a wine collection compared to 54% of spirits collectors. With so many new collectors, insurance agents should start asking their clients and prospects if they are part of this trend—and if they realize their wine and spirits collections need insurance protection.

2) Art, wine, jewelry and gemstones are being collected as an investment. If they had the funds, many Americans would purchase valuables for their investment potential. Also, many collectors are branching out into collecting different types of valuables.

According to the survey, collectors would purchase art (41%), jewelry and gemstones (47%), wine (34%), watches (32%), and classic or collector cars (30%) as an investment. In addition, 52% of art collectors, 48% of wine collectors and 48% of spirits collectors would purchase jewelry and gemstones for investment purposes.

3) Online purchases can be risky. As collectors take to the web to find valuable items, they need the advice and resources of an experienced insurance agent or broker. In the past year, 74% of American collectors have purchased or would consider purchasing art online—sight unseen—with 82% using online auction platforms and 57% saying social media has influenced their purchasing decisions.

However, without seeing firsthand what they're buying, collectors run the risk of purchasing an item that may not be what it's purported to be. Insurance agents can help by making sure their clients are purchasing from a reputable source, requesting condition reports and have all the documentation they need to properly insure that item from day one.

4) Art collectors want to preserve their collection's value. Transit is one of the leading causes of loss for art—and art collectors seem to be aware of this. Among collectors, 42% are concerned about moving art to and from their home and 41% are worried about loaning art to a museum. In addition, 50% are aware of the risks associated with climate control. To help these clients, agents should team up with their insurance carrier to provide advice and expertise, such as suggesting risk management strategies like water and humidity sensors for the home and providing access to trusted transportation resources.

With the holidays now firmly in the past and Valentine's Day approaching, now is a good time for agents to touch base with clients about recent purchases. Regardless of whether collectors buy for passion or investment, they should insure these assets with a valuable articles policy versus a standard homeowners policy. A valuables policy is typically more comprehensive because it has higher limits available and provides automatic coverage for newly acquired items for up to 90 days, so keep that in mind when making any purchases.

Laura Doyle is vice president and art, jewelry and valuable collections manager at Chubb Personal Risk Services.
