

ARTICLES

A Perilous Climate for Art

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Before it became the art district of New York, the neighborhood of Chelsea was a mishmash of mechanic shops and warehouses. As the city evolved, a burgeoning art scene moved in and Chelsea became known among New York's art denizens as the place to be. More than 300 galleries set up shop. Street-level spaces attracted art enthusiasts from around the world and ample basement storage gave gallery owners room to store pieces that weren't on display. No one really paid attention to the fact that Chelsea is situated in the flood zone. Why would they? Hurricanes and flood surge were never a concern for a northern city like New York.



When Hurricane Sandy hit in 2012, everyone was taken by surprise. Many galleries flooded. Hundreds of millions of dollars of art was lost. And for the first time, the reality of climate change made the art community take notice.

Insuring art isn't like insuring cars. If a car is destroyed, the carrier writes a check and you go buy a new one. Fine art is different. It has emotional and cultural significance. Personal collectors see themselves as stewards of work that communicates our human history and should be preserved forever.

So, the primary goal of a fine art broker isn't just to place insurance programs, but to advise clients on how best to protect art from getting damaged or destroyed in the first place.

In the world of fine art risk mitigation, the [increasing severity of climate change-related perils](#) - wildfires, hurricanes, flooding and winter storms - is posing an immediate threat to private and institutional collections across the country. Works of art throughout the country once thought relatively safe are at risk of being lost forever.

Northeast

Water damage is a main concern for both private and institutional art collections in the Northeast, and not just from flooding and hurricanes. An unusually pronounced and prolonged deep freeze last winter led to frozen and burst pipes, which sent water trickling down walls hung with paintings. To combat this, we've recommended installing alarm systems with freeze alarms. For art collectors who travel for the winter and leave their homes vacant, these systems can sense frozen pipes and water discharge.

Flooding from storms like the above-mentioned Sandy and other unnamed but similarly intense storms, is another problem. For art galleries located in today's expanding flood zones, it's important to have an awareness of vulnerabilities first and foremost, while proactive evacuation is a key component to minimizing risk prior to an impending hurricane.

South

Hurricanes are a longstanding threat in the South. In the last decade, even while global climate change was fundamentally altering the severity and pattern of these storms, Miami was experiencing an explosion in growth, attracting a profusion of wealth and art. This high concentration of fine art in an area so vulnerable to extreme storms poses a major challenge when everyone needs to evacuate their art at the same time. As we know, [safely transporting art](#) is no small feat.

Because there's limited number of qualified fine art packers and shippers in South Florida, deploying your evacuation plan too late is a mistake. We advise clients to have art evacuation plans in place and activate them as soon as the National Weather Service issues a named storm alert. That means hiring a fine art shipper well ahead of time that can properly handle the art and move it to a storage facility further inland.

Storm intensities make even a miss a problem. In 2017 a hurricane anticipated to hit Miami veered away, but the entire region still suffered severe power outages. The widespread loss of power meant moving the art again into a climate secured facility. Without air conditioning, humidity causes damage, especially to works on paper. As climate scientists anticipate greater impacts to coastal areas, art collectors will need to develop back-up plans for their back-up plans and alternative safe places to shelter artwork in the path of a storm.

West Coast

The West Coast faces the most terrifying risk of all -- wildfires. Extreme, prolonged drought caused by climate change has spurred [record-setting wildfires this year](#). What was once a seasonal threat is ongoing and regions once considered immune to fire threats are now being hit. And, even if a home doesn't burn down, smoke damage can ruin fine art in an impacted area.

Unlike evacuation plans for hurricanes or freezing weather, fires follow no pattern - so there's no clear safe route out. If a wildfire is in your vicinity and you hire a mover to evacuate your art, the random nature of fires can force road closures that make your home inaccessible.

Even after evacuation, the question becomes: are the storage warehouses safe? Most specialty art movers have storage facilities in urban centers, which are safer from fire risk, but there are no guarantees. And just as in Miami, there are a limited number of qualified movers and climate-controlled art warehouses available in an emergency.

Some insurance companies have started working with private fire crews out West to protect homes by spraying fire retardants around a property ahead of a fire, but clients, once again waiting until the last minute can preclude crews accessing their house.

[Active Engagement is Key](#)

Insurers are analyzing reams of climate change data while we're quickly becoming experts on the material impact it's having on our clients and the world. In order to mitigate risk and minimize losses, insurance companies and brokers are starting to become more active in *raising awareness* and *communicating* the dangers.

Whether it's sending out storm notifications in the South or offering tips on avoiding damage from burst pipes in the Northeast, communication from carriers and brokers is a key component in disaster preparedness.

As climate change creates more risk every year, finding innovative ways to mitigate risk through new services, better planning and increased awareness will be vital.

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This is one in a series of posts looking at the risk and insurance implications of the changing climate. To see the other posts in this series, [click here](#)

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