

**ARTICLES**

# Fine Art Insurance Tips: Lending and Transporting Your Artwork

Jan 4, 2018

- Working with your lawyer and fine art insurance broker, create a Loan Agreement outlining your requirements for the Borrower with regard to insurance. Endeavor to always use your own Loan Agreement as it will best protect your interests.
- Ask your lawyer if you should put a Uniform Commercial Code (UCC) filing in place to protect your interest in the work.
- Request a Certificate of Insurance naming you as Loss Payee and Additional Insured (or a Waiver of Subrogation if Additional Insured is not achievable). If the artwork you are lending could potentially injure someone, ask that you be named as Additional Insured on the Borrower's General Liability policy.
- Request a copy of Borrower's insurance policy for your fine art insurance broker to review.
- Have your fine art insurance broker review all Certificates of Insurance submissions to ensure Loan Agreement insurance requirements are met.
- When reviewing a Borrower's insurance/Certificate of Insurance consider:
  - Is Full Terrorism included?
  - Is Earthquake, Windstorm, or Flood covered?
  - Is the carrier known for fine art insurance and for paying claims?
- International policies often have more restrictive coverage than a US Fine Art insurance policy. Require a policy review when lending outside of the country, taking care to note special conditions and subjectivities.
- When lending internationally, ask the Borrower to change their policy's jurisdiction to your state.
- If a Borrower's insurance does not meet your requirements, your options are:
  - Use your own insurance policy's At Other



#### Locations/In Transit Limits

- Use the Borrower's insurance as-is
- Obtain a separate Exhibition policy through your broker/your insurance company and charge back the Borrower. This protects your claims history while providing access to your own broker, insurance company and familiar policy language and terms.
- Allow the Borrower to use Government Indemnity if that is an option
- Always use a Fine Art Packer and Shipper
- Ensure Packing is completed by a Fine Art specialist and is executed in order to withstand the shipment. Taking into consideration the kind of shipment (air, truck, ocean) and the nature of the artwork/object.
- Depending on the value of the item, consider:
  - Requiring an Exclusive Use Truck
  - No stops along the way
  - Requiring a Courier who will accompany the artwork for the entire journey
- At Borrower's expense, request that Condition Reports be conducted prior to the artwork leaving your premises and upon returning to you.

---

TAGS:  
Fine Arts