

FINE ART INSURANCE

WHY IS FINE ART IN OUR CARGO WORKSHOP.

ITALY IS THE HOMELAND OF ART: IT IS PART OF OUR CULTURE AND HISTORY.

ONE OF THE AMAZING THING OF THIS COUNTRY IS THAT IF YOU VISIT FOR EXAMPLE A CHURCH, IN THE SMALLEST VILLAGE OR IN A BIG CITY,

GETTING INSIDE YOU WILL FIND, FOR SURE, A PAINTING, A STATUE 3/4 CENTURIES OLD, SO NORMALLY.

BUT EVEN IF IT IS USE TO PRESENT A TOPIC RELATING THE COUNTRY HOSTING IUMI CONFERENCE THIS IS NOT THE MAIN REASON.

THE REASON OR BETTER THE REASONS WHY WE ARE TALKING ABOUT FINE ART INSURANCE IS: FIRST BECAUSE FINE ART RISKS ARE UNDERWRITTEN IN MANY MARKETS AROUND THE INSURANCE WORLD BY THE CARGO UNDERWRITER (SOMEONE ALSO IN THE LONDON MARKET)

THE SECOND REASON IS BECAUSE IN THE QUESTIONNAIRES FILLED AT THE END OF IUMI CONFERENCES THERE IS THE STRONG AND LIVE REQUEST FOR EDUCATION AND THIS TOPIC, SO PARTICULAR AND PART OF CARGO INSURANCE, IS A GOOD SUBJECT OF LEARNING.

SO FIRST OF ALL WE HAVE TO IDENTIFY WHICH KIND OF FINE ART RISK IS UNDERWRITTEN UNDER CARGO.

THEY ARE NOT PART OF CARGO PURE STAY RISK, MEANING ANNUAL OR MULTI-YEAR STAY RISK POLICIES IN FAVOUR FOR EXAMPLE OF MUSEUMS LIKE LOUVRE, HERMITAGE OR VATICAN MUSEUM.

YOU CAN IMAGINE WHAT HUGE AMOUNT AND SUM INSURED IS REQUIRED FOR THIS SUBJECTS AND THIS RISKS, NOT RECOVERABLE UNDER CARGO INSURERS CAPACITY.

TO THE CARGO UNDERWRITER CAN BE SUBMITTED A FINE ART RISK NAMED "FROM NAIL TO NAIL", INTENDED AS

FINE ART INSURANCE

"FROM NAIL TO NAIL COVER"

- **INSURANCE WHICH COVERS WORKS OF ART AGAINST PHYSICAL LOSS OR PHYSICAL DAMAGE OCCURRING DURING THE PERIOD OF INSURANCE FROM THE MOMENT THE INSURED ITEMS ARE REMOVED FROM THE LOCATION THEY ARE NORMALLY KEPT TO GO TEMPORARILY SOMEWHERE (USUALLY ANOTHER PLACE OF EXHIBITION), WHILE AT THE EXHIBITION AND THEN THEY COME BACK TO THE ORDINARY LOCATION.**



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THE REASON WHY THEY ARE CONSIDERED CARGO RISKS IS BECAUSE THEY INCLUDE A TRANSFER, A TRANSIT, A SHIPMENT FROM A PLACE TO ANOTHER.

AND USUALLY THIS TRANSFER IS EXCLUDED BY THE STAY RISK COVERED BY NON MARINE UNDERWRITERS

AND YES, IN THIS CASE SUBJECTS AS LOUVRE, HERMITAGE AND VATICAN MUSEUM COULD ASK FOR A QUOTATION TO THE CARGO UNDERWRITER.

AND THIS IS NOT UNUSUAL ALSO BECAUSE AN ARTWORK WHEN GOES ON EXHIBITION FROM LOCATION TO LOCATION IT INCREASES ITS VALUE IN THE ART MARKET.

SO LET'S DEFINE THE RANGE OF "NAIL TO NAIL" COVER.

THE COVERAGE ATTACHES FROM THE MOMENT THE INSURED ITEMS ARE REMOVED FROM THE LOCATION THEY ARE NORMALLY KEPT TO BE PREPARED AND PACKED FOR TRANSIT (SHIPMENT) TO THE EXHIBITION LOCATION

INSURANCE CONTINUES DURING LOADING, THE ORDINARY COURSE OF TRANSIT, INCLUDING ANY STORAGE IN TRANSIT, THE ARRIVE AT THE PLACE OF EXHIBITION, UNLOADING, UNPACKING, THE PLACEMENT OF THE ITEMS IN THE EXHIBITION LOCATION, STAY WHILE AT THE EXHIBITION, THEIR REMOVAL AFTER THE EXHIBITION, PREPARATION AND PACKING OF THE ITEMS, INCLUDING INCIDENTAL STORAGE, LOADING, THE JOURNEY BACK TO THE ORIGINAL LOCATION, UNLOADING, THE UNPACKING AND IT TERMINATES WITH THE REPOSITIONING AT THE USUAL PLACEMENT.

SO YOU CAN SEE HOW MANY TIMES INSURED GOOD IS MOVED IN RESPECT OF A USUAL CARGO SHIPMENT AND HOW MANY ACTORS TAKE PART IN A FINE ART RISK.

ACTORS OF DIFFERENT NATURE:



PACKERS (THEY HAVE TO BE COMPETENT PACKERS) AND THEY ARE DIFFERENT - ONE AT THE ORIGIN SITE TO THE ONES AT PLACE OF EXHIBITION,

FINE ART INSURANCE

ACTORS: - PACKERS



CARRIERS WHICH HAVE TO BE SPECIALIZED CARRIERS (BUT THEY ARE NOT MANY AND IN COUNTRIES WITH NO TRADITION FOR ART BUT WHERE WORKS OF ART MAY GO FOR EXHIBITION IT IS NOT EASY TO FIND A RELIABLE ONE).

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ACTORS:

- CARRIERS



WE HAVE NOT SPOKEN YET ABOUT TWO BASIC CHARACTERS OF A FINE ART RISK: ONE IS THE PLACE OF EXHIBITION.

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ACTORS: - EXHIBITION SITE



HOPEFULLY A MUSEUM OR A PLACE WHERE USUALLY TAKE PLACE EXHIBITIONS. IN THIS CASE HOPEFULLY ANTITHEFT SYSTEM, SURVEILLANCE AT NIGHT AND DURING EXHIBITION, SOUND ALARM SHOULD BE IN GOOD STANDING AND OPERATING.

NOT ALWAYS WORKS OF ART GO FROM A MUSEUM TO A MUSEUM: EXHIBITION COULD BE HELD IN LOCATION LIKE TOWN HALLS, OLD CHURCHES, SCHOOLS, OPEN AIR FAIRS.

IN THIS CASE IT SHOULD BE RECOMMENDED THE INTERVENTION OF A SURVEYOR AS LOSS PREVENTION

BUT NOT A CARGO SURVEYOR BUT MORE PROPERLY A PROPERTY SURVEYOR BECAUSE HE HAS TO VERIFY THE ENTRIES, CLOSING MEANS, ANTITHEFT AND ANTIFIRE SYSTEMS, WINDOWS, ROOFS ETC.

DUE TO THE FACT THAT USUALLY PREMIUM IS CHEAP MOSTLY IF INSURED VALUE IS SMALL AS USUALLY HAPPENS IN EXHIBITION NOT IN PROPER LOCATION, THERE IS NO SPACE TO PAY FOR A SURVEY REPORT (UNLESS AT ASSURED CHARGE),

IN THIS CASE INSURER COULD ASK FOR A FACILITY REPORT AND MAY APPLY WARRANTIES AND CLAUSES FROM PROPERTY INSURANCE (FOR EXAMPLE FOR ENTRIES AND CLOSING MEANS).

WE MENTIONED ABOUT TWO PRIMARY CHARACTERS IN A FINE ART RISK: FIRST ONE WE SAID THE PLACE OF EXHIBITION, AND THE SECOND ONE IS.....THE VISITOR.

THE VISITOR WHO IS THE MOST IMPORTANT PLAYER BUT ALSO THE MOST DEVASTATING.

VISITOR OF ANY RACE, ANY RELIGION, ANY CULTURE, ANY INTEREST IN THE EXHIBITION:

IT COULD BE THE HUSBAND WHO PROMISED THE WIFE TO SPEND THE SUNDAY AT THE MUSEUM BUT WHO DOES NOT CARE ABOUT ART AND YOU CAN RECOGNIZE HIM BECAUSE HE IS AT THE MUSEUM WEARING THE EARPHONE LISTENING FOOTBALL MATCHES ON THE RADIO.

IT COULD BE THE GIRL, STUDENT OF ART WHO DRAGS HER BOYFRIEND IN CHEWING GUM WHO LOOKS THE PAINTING LIKE A COW LOOKS THE PASSAGE OF THE TRAIN.

OR A WHOLE FAMILY IN THIS CASE IF THE MUSEUM HAS FREE WI FI CONNECTION IS PERFECT SO PARENTS CAN PARK SOMEWHERE SONS AND RESCUE THEM AT THE END OF THE VISIT. PERFECT.

BUT IF PARENTS HAVE A CHILD (3/4 YEARS OLD) AND THIS CHILD LIKE EVERY CHILD, HE PUT HIS FINGER IN THE NOSE AND THEN TOUCH THE PAINTING (FROM HERE THE REAL ORIGIN OF THE WORD CRUST FOR A PAINTING).

FOR THIS AND MANY OTHER REASONS STRICT CONDITION IS VISITOR CAN NOT USE, MOVE, TOUCH OR HANDLE THE WORKS OF ART.

SO THAT MEASURES AS SURVEILLANCE NOT ONLY AT NIGHT BUT ALSO DURING THE OPENING TIME, TV CC AND SOUND ALARM IF VISITOR IS TOO CLOSE ARE NECESSARY.

SOMETIMES ALSO A CREEPING ROPE IS ENOUGH.

BUT NOT EVERY MUSEUM, INCLUDING FAMOUS MUSEUMS, HAS THEM BUT THEY ARE IMPORTANT ALSO BECAUSE IS A GREAT DETERRENT FOR EXAMPLE AGAINST VANDALISM.

SINCE WE ARE TALKING ABOUT WARRANTIES, AS REGARDS TRANSPORT, WARRANTIES USUALLY APPLIED FOR PRECIOUS CARGO OR HIGH VALUE CARGO COULD BE APPLIED ALSO FOR FINE ART TRANSPORTATION.

BUT WHAT IS FINE ART?

FINE ART INSURANCE

WIKIPEDIA:

FINE ART

ONE DEFINITION OF *FINE ART* IS "A VISUAL ART CONSIDERED TO HAVE BEEN CREATED PRIMARILY FOR **AESTHETIC AND INTELLECTUAL PURPOSES AND JUDGED FOR ITS BEAUTY AND MEANINGFULNESS**, SPECIFICALLY, PAINTING, SCULPTURE, DRAWING, WATERCOLOR, GRAPHICS, AND ARCHITECTURE.



WIKIPEDIA TELLS

FINE ART

ONE DEFINITION OF FINE ART IS "A VISUAL ART CONSIDERED TO HAVE BEEN CREATED PRIMARILY FOR AESTHETIC AND INTELLECTUAL PURPOSES AND JUDGED FOR ITS BEAUTY AND MEANINGFULNESS

WIKIPEDIA: FINE ART

IN THAT SENSE, THERE ARE CONCEPTUAL DIFFERENCES BETWEEN THE *FINE ARTS* AND THE *APPLIED ARTS*.

AS ORIGINALLY CONCEIVED, AND AS UNDERSTOOD FOR MUCH OF THE **MODERN ERA**, THE PERCEPTION OF **AESTHETIC QUALITIES REQUIRED A REFINED JUDGMENT** USUALLY REFERRED TO AS HAVING GOOD TASTE, WHICH DIFFERENTIATED FINE ART FROM POPULAR ART AND ENTERTAINMENT.

THE WORD "FINE" DOES NOT SO MUCH DENOTE THE QUALITY OF THE ARTWORK IN QUESTION.



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THE WORD "FINE" DOES NOT SO MUCH DENOTE THE QUALITY OF THE ARTWORK IN QUESTION".

THIS LAST PART OF WIKIPEDIA DEFINITION IS VERY IMPORTANT.

I WOULD SAY CRUCIAL MAINLY FOR CONTEMPORARY AND MODERN ART.

CONTEMPORARY MODERN ART IS A MATTER ALSO FOR INSURERS.

WHY? BECAUSE WHILE FOR CLASSIC ART THE VALUE OF THE PAINTING, SCULPTURE, ETC. IS OFFICIALLY DEFINED AND RECOGNIZED BY CATALOGUES, BOOKS, SPECIALIZED MAGAZINES, EXPERTS AND ART CRITICS,

DIFFERENT IS THE ISSUE FOR MODERN ART WHERE IN MOST OF THE CASES THE VALUE TO THE WORK OF ART IS GIVEN DIRECTLY BY THE AUTHOR OF THE WORK, THE ARTIST ITSELF.

IN MODERN AND CONTEMPORARY ART WHEN IS THE ARTIST ITSELF TO GIVE THE VALUE TO THE WORK, IN CASE OF INSURANCE FOR US, INSURERS, IT MEANS INSURED VALUE.

IN THIS CASE THE INSURER IS OBLIGED TO ACCEPT THE VALUE OF THE WORK AS DECLARED BY THE ARTIST.

IT IS SO NAMED ACCEPTED VALUATION CLAUSE. IT BECAMES AGREED VALUE BETWEEN THE PARTIES.

LET'S TALK ABOUT CLAIMS.

USUALLY STATISTICAL RESULTS FOR FINE ART ARE GOOD.

BUT GENERALLY CLAIMS ARE MOSTLY SMALL PARTIAL PHYSICAL DAMAGES TO ITEM INSURED.



THE INSURERS PAY COST AND EXPENSE OF RESTORATION PLUS ANY RESULTING DEPRECIATION (WHEN COVERED) BUT NOT EXCEEDING THE AGREED VALUE OF THAT ITEM.

IN CASE OF CLAIM IF A SURVEYOR IS REQUIRED, RATHER THAN A SURVEYOR IT IS NECESSARY AN EXPERT OF ART.

SO ANOTHER PROFESSIONAL, DIFFERENT FROM THE PROPERTY SURVEYOR MENTIONED PARTICIPATING BEFORE

WHO IS DIFFERENT AGAIN FROM THE CARGO SURVEYOR EVENTUALLY ENTRUSTED TO ASSIST PACKING, LOADING AND UNLOADING OPERATIONS AS LOSS PREVENTION FOR TRANSPORTATION.

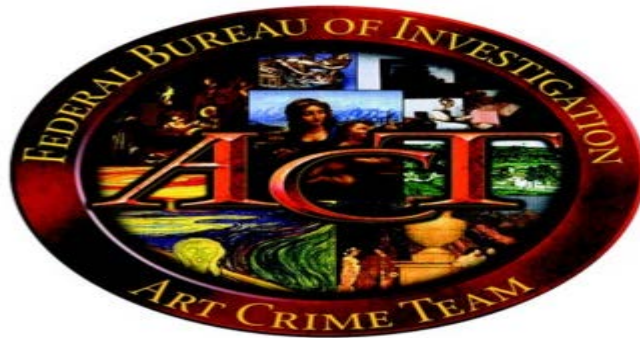
THEFT IS THE LESS LIKELY CAUSE OF CLAIM BECAUSE IT IS VERY VERY DIFFICULT TO SELL THE STOLEN WORK OF ART.

AND USUALLY DURING THE ATTEMPTED SALE AFTER THEFT, THIEVES ARE ARRESTED.

OF COURSE THEFT IS THE GLARING CLAIM, ESPECIALLY WHEN STOLEN WORK IS FAMOUS.

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FBI: ART CRIME TEAM



FBI HAS ESTABLISHED A DEDICATED ART CRIME TEAM COMPOSED BY SPECIAL AGENTS WHICH RECEIVE SPECIALIZED TRAINING IN ART AND CULTURAL PROPERTY INVESTIGATIONS AND ASSIST IN ART RELATED INVESTIGATIONS WORLDWIDE.

FBI HAS A UP-DATED INDEX OF WORLDWIDE STOLEN ART PROPERTIES.

AND ISSUED TOP TEN ART CRIMES:

FINE ART INSURANCE

FBI TOP TEN ART CRIMES:

- IRAQI LOOTED AND SYRIAN STOLEN ARTIFACTS
- ISABELLA STEWART GARDNER MUSEUM THEFT
- THEFT OF CARAVAGGIO'S NATIVITY WITH SAN LORENZO AND SAN FRANCESCO
- DAVIDOFF / MORINI STRADIVARIUS THEFT
- THE VAN GOGH MUSEUM ROBBERY



FINE ART INSURANCE

FBI TOP TEN ART CRIMES:

- THEFT OF CEZANNE'S VIEW OF AUVERS SUR OISE
- THEFT OF GERTRUDE VANDERBILT WHITNEY MURALS
- THEFT FROM THE MUSEU CHACARA DO CEU
- THEFT OF VAN MIERIS' A CAVALIER
- THEFT OF RENOIR PAINTING



- IRAQI LOOTED AND SYRIAN STOLEN ARTIFACTS
- ISABELLA STEWART GARDNER MUSEUM THEFT
- THEFT OF CARAVAGGIO'S NATIVITY WITH SAN LORENZO AND SAN FRANCESCO
- THEFT OF THE DAVIDOFF-MORINI STRADIVARIUS
- THE VAN GOGH MUSEUM ROBBERY
- THEFT OF CEZANNE'S VIEW OF AUVERS-SUR-OISE
- THEFT OF THE GERTRUDE VANDERBILT WHITNEY MURALS, PANELS 3-A AND 3-B
- THEFT FROM THE MUSEU CHACARA DO CÉU
- THEFT OF VAN MIERIS' A CAVALIER
- THEFT OF RENOIR OIL PAINTING

AS YOU CAN SEE FROM THE CHART AND AS A MATTER OF FACT OVER THE PAST DECADE WE HAVE SEEN AN INCREASING TREND OF ILLICIT TRADE IN WORKS OF ART AND CULTURAL OBJECTS FROM COUNTRIES IN THE MIDDLE EAST AFFECTED BY ARMED CONFLICT OR IN COUNTRIES WITH POLITICAL INSTABILITY.

THE BLACK MARKET IN WORKS OF ART IS BECOMING AS LUCRATIVE AS THOSE FOR WEAPONS AND DRUGS.

SUMMARIZING THESE ARE THE INFORMATION REQUIRED FOR A RIGHT ASSESSMENT OF A "NAIL TO NAIL" FINE ART RISK:

FINE ART INSURANCE

"NAIL TO NAIL" FINE ART RISK QUOTATION:

- ASSURED
- NATURE AND KIND OF THE WORKS
- LIST OF EACH INSURED ITEM WITH SINGLE VALUE AND TOTAL VALUE
- ARRANGEMENT OF THE CONVEYANCE (ROUNDTRIP)
- "MOVING PLAYERS"



- ASSURED (USUALLY DIFFERENT FROM CONTRACTOR):

MUSEUM, FOUNDATION, ENTITY LIKE BANK OR MINISTRY, PUBLIC OR PRIVATE LENDER, COLLECTOR, EXHIBITION AND FAIR ORGANIZER, ART DEALER, ART GALLERY, AUCTION HOUSE, RESTORER, ART SPECIALIZED CARRIER.

YOU CAN SEE HOW MANY AND DIFFERENT PROFESSIONALS MAY BE INTERESTED IN A FINE ART POLICY.

- NATURE AND KIND OF THE WORKS:

WE DO NOT HAVE TO THINK ABOUT PAINTING ONLY. IT COULD BE EVERY KIND OF ITEM.

ANY ITEM WITH ARTISTIC, HISTORICAL AND ARCHAEOLOGICAL INTEREST. SUCH AS WORKS AND ARTISTIC OBJECTS, ARCHAEOLOGICAL FINDS, MUSIC SHEETS, MUSICAL INSTRUMENTS, PHOTOS, HISTORICAL DOCUMENTS, LITERARY, NUMISMATIC OR CULTURAL INTERESTS GENERALLY; ANY ITEM FOR COLLECTION, ANTIQUE OBJECTS, FURNISHINGS, VINTAGE CARS, ANY ITEM AS MODERN ART AND OF COURSE PAINTINGS, PICTURES, STATUES ETC.

GET TO KNOW THE NATURE OF THE WORK: ONE PAINTING IS DIFFERENT BY ANOTHER ONE. A PICTURE COULD BE CONTAINED BY A PRECIOUS FRAME ALSO. AN ITEM MADE OF CHALK IS DIFFERENT BY AN ITEM MADE OF PORCELAIN EVEN IF THEY ARE BOTH FRAGILE.

- LIST OF EACH INSURED WORK WITH ANY SINGLE VALUE (DESCRIPTION, TITLE AND VALUE FOR ANY ITEM) AND TOTAL INSURED VALUE:

IT IS IMPORTANT TO DEFINE THE TOTAL SUM INSURED BUT IT IS ALSO IMPORTANT THE SINGLE VALUE TO IDENTIFY ITEM WITH TOP VALUE - HIGHEST VALUE WHICH COULD BE SUBJECT TO PARTICULAR WARRANTY AND CONDITION AT UNDERWRITER'S DISCRETION

- ARRANGEMENT OF THE CONVEYANCE (ROUNDTrip):

WAY, MEANS, ROUTE, LIMIT FOR CONVEYANCE, HOW IS MOVED TOP VALUE ITEM, SINGLE FORWARDING OR MORE, TRANSIT STORAGE ETC.

- "MOVING PLAYERS":

WHO ARE PACKERS, LOADING/UNLOADING, CARRIERS (THEY HAVE TO BE ALL SPECIALIZED)

FINE ART INSURANCE

"NAIL TO NAIL" FINE ART RISK QUOTATION:

- SECURITY MEASURES DURING TRANSPORT (INCLUDING TRANSIT STORAGE)
- SECURITY MEASURES DURING EXHIBITION
- EXHIBITION PERIOD AND INSURANCE PERIOD
- LOCATION OF EXHIBITION
- GUARANTEES/COVER EXTENSIONS



- SECURITY MEASURES DURING TRANSPORT (INCLUDING TRANSIT STORAGE) AND EXHIBITION

- EXHIBITION PERIOD AND INSURANCE PERIOD (REMEMBER THEY ARE DIFFERENT):

"FROM NAIL TO NAIL": FROM DAY "A" TO DAY "Z" (COVERAGE ATTACHES FROM THE MOMENT THE INSURED ITEMS ARE REMOVED FROM THE LOCATION THEY ARE NORMALLY KEPT, TRANSPORTATION, EXHIBITION AND BACK)

- EXHIBITION LOCATION: SITE WHERE USUALLY TAKE PLACE EXHIBITIONS OR NOT

- GUARANTEES EXTENSIONS / COVER EXTENSIONS:

EXTENSION COULD BE SIMPLE GENERAL AVERAGE AND SALVAGE COSTS DURING TRANSIT, WAR AND STRIKES.

IT COULD BE A PARTICULAR EXTENSION LIKE "PAIRS AND SET CLAUSE" (THE PAIR AND SET CLAUSE IS A CLAUSE WHICH STATES THAT IF ONE HALF OF A PAIR OR A PARTIAL SET IS DAMAGED, THE INSURER IS REQUIRED TO PAY FOR THE SINGLE/PARTIAL ITEM ONLY OR FOR THE COMPLETE PAIR/SET)

IT COULD BE THE TODAY MORE REQUESTED EXTENSION THAT IS TERRORISM (FOR WHICH WE NEED TO INVOLVE SPECIFIC INSURER WITH SPECIFIC CONDITIONS AND QUOTATIONS).

ANYWAY, TO CONCLUDE FINE ART RISKS IS AN INTERNATIONAL RISK MORE OF WHAT IS BELIEVED.

WORKS OF ART ARE EVERYWHERE AND MAY GO EVERYWHERE.

IT IS A MARKET INVOLVING MILLIONS OF DOLLAR: IT SHOULD BE SMART UNDERWRITE ITS RISK UNDER CARGO INSURANCE AS MUCH AS POSSIBLE, WITH RIGHT COMPETENCE AND OFFSETTING FAILINGS OF NON MARINE INSURANCE.

ESPECIALLY IN A PERIOD LIKE TODAY LACKING OF NEW PURE CARGO RISKS.

BUT ALSO MARINE INSURERS ARE ARTIST BECAUSE



MARINE INSURANCE IS A HEAVY BURDEN AND TO BEAR IT IS AN ART.



MASSIMO NICOLA SPADONI