



Insuring Your Valuables

A Comprehensive Guide to Properly Insuring
High-Value Possessions

QUESTION:

If any of the following incidents were to happen, would your homeowners or renters insurance policy pay for *the entire claim*?

- Your diamond wedding ring is lost or stolen.
- Your golf clubs are taken out of your car.
- Your home-office computer is ripped off.

If you only have a standard homeowners or renters policy, the answer is most likely “No.”

WHAT IS A PERSONAL ARTICLES FLOATER?

While your homeowners insurance policy provides some coverage for valuable items, it is usually limited in the types of covered claims and payment amounts.

In order to have full coverage, though, for the incidents above you would need to purchase a Personal Articles Floater.

A personal articles floater provides coverage for possessions with higher monetary values like:

- Cameras (video or still) and related equipment
- China, silverware, and crystal
- Firearms
- Golfer's equipment
- Jewelry
- Personal computers
- Works of fine art

WHY SHOULD I CONSIDER A PERSONAL ARTICLES FLOATER?

Benefit 1: A Personal Articles Floater provides higher limits on your valuable items.

Typical insurance policies will limit coverage for the items listed above at anywhere from \$500 to \$1,500. Often times, that simply isn't high enough for valuable items.

A Personal Articles Floater is much different; coverage limits aren't predetermined. Rather, you have a lot of freedom in selecting proper limits, which is especially helpful for rare or unique items.

In fact, insurance companies will often use an "Agreed Value" limit for your items. This means in the event of a covered claim your insurance company will pay you the amount listed on the policy. You will not have to negotiate a settlement price.

Keep in mind, though, that in order to have an Agreed Value limit on your policy on valuable items like jewelry, you may need to provide a copy of a current appraisal on the item.

WHY SHOULD I CONSIDER A PERSONAL ARTICLES FLOATER?

Benefit 2: A Personal Articles Floater can actually provide additional coverage.

A standard homeowners policy does not include some coverages that are very important for rare or valuable items.

For example, a Personal Articles Floater may include coverage for “mysterious disappearance” or losses due to “breakage.” This means if you misplace a valuable piece of jewelry or accidentally break a fragile piece of art you will have insurance coverage for both instances.

WHY SHOULD I CONSIDER A PERSONAL ARTICLES FLOATER?

Benefit 3: Coverage for a Personal Articles Floater can be expanded worldwide.

Your homeowners policy will typically only cover items located on the premises listed on the policy. However, with a Personal Articles Floater you can rest easy knowing your items are protected, wherever they may be.

For example if you lost your expensive camera while on vacation, your Personal Articles Floater policy would pay for a replacement.

WHY SHOULD I CONSIDER A PERSONAL ARTICLES FLOATER?

Benefit 4: Most Personal Articles Floaters do not have a deductible.

A standard insurance policy will usually include a \$500 to \$1,000 deductible. A Personal Articles Floater is different; many of them actually remove the deductible. This a great feature because it means any claims filed won't result in out-of-pocket expenses.

COVERAGE TIPS

- 1. *Itemize.*** Keep a detailed list of the items listed on the policy, including copies of the appraisals.
- 2. *Pictures.*** Photograph each piece of your collection and store the photos in a safe place. This will make it easy to list each item on you claim report if your entire collection is stolen or damaged.
- 3. *Safe Deposit Box.*** If you have a number of high value items, it may be in your best interest to store them in a safe deposit box or install a security system in your home. Doing so will help discount the premiums on your policy as well.
- 4. *Rare Items.*** The If you have a unique item not listed in the standard items above it may still be eligible for coverage. Speak with your agent to find out what coverage options are available to you.

How MUCH DOES THIS COVERAGE COST?

Now the big question: How much is this type of policy going to set me back?

The fact is Personal Article Floaters are actually much cheaper than you think given the coverage they provide. The increased cost can be anywhere from \$20 to \$2,000 annually, depending upon the type of items insured and their associated value.

If you have some unique items that you think may be better insured on a Personal Articles Floater, please contact our office. We'll be happy to put together some pricing and coverage comparisons to see what may be the best fit.

DISCLAIMER

The above information is to be used as guidance only, and should not be considered as definite in any particular case. Every policy is different and you need to read through your policy and consult with your agent to best determine how your coverage will respond. Within this article we simply cannot analyze every possible loss exposure and exception to the general guidelines above.