

CASE STUDY: All Risk Fine Arts Insurance Policy Saves Collector's Investment from Total Loss

In art collecting, as in most endeavors, the greater the risk, the greater the reward. Managing that risk often rivals having a discerning eye for quality pieces. That point is made by a case recently handled by Flaster Greenberg Shareholder Chris Merrick, which would paint a proverbial thousand words of any art collector's worst nightmare.

In that case, a carefully curated work of art by a well-known American artist, which was worth \$1.4 million dollars, was damaged beyond repair. The paint on the faces of the figures in the painting had been smeared and partially wiped off in spots. The faces of the subjects were disfigured, and the work of art was ruined.

Worse yet, the owner of the art had no idea how, when, or where the damage took place. The artwork had been crated at the owner's vacation home in his absence, transported to an auction house warehouse, and then transported to Paris for auction. The damage was discovered at the time the painting was unboxed in Paris, and an art appraiser deemed the painting a total loss.

Careful investigation by Chris revealed that the painting had been damaged in the home of the collector; likely by a cleaning professional who made the disastrous decision to spray it with cleaning fluid in an effort to clean it. Because of Chris's work, our transportation client was protected from liability for the loss.

Fortunately for the owner, an "all risk" fine arts insurance policy was in place and covered the loss. An "all risk" fine arts insurance policy is the standard coverage for fine art insurance. Such policies cover all risks, most commonly fire, water, theft, and accidental damage, except those risks that are expressly excluded by the policy. If such "all risk" fine art insurance coverage had not been in place, his investment would otherwise have been lost.

The attorneys in the Flaster Greenberg Art Law group share a passion for fine art, and work together to provide comprehensive representation for our clients. We offer experienced counsel to US and global clients in Art Law related matters.