

How Does Art Insurance Compare to Home Insurance?

Many private collectors think that they don't need an additional fine art insurance policy because they assume that their homeowner's insurance policy will cover damage to their fine art.

This is a critical error, however, as most homeowner's insurance policies specify limitations on how much money can be paid out for a single item or category of items after a loss, regardless of the policy's total value, resulting in far less insurance coverage than may be needed.

You can purchase a "rider", or additional layer of protection, that offers more protection for a high-value item, despite overall policy limits. Many homeowners purchase riders for things like jewelry, musical instruments, or artwork.

A rider can be purchased to protect a single work of art. If, however, you have a very highly valuable piece, a collection of pieces, a piece that's stored outside of your home, or a piece that's likely to go up in value from the time of purchase, it may be better to buy a separate fine art policy.