

Fine Arts Insurance

The three University of Alabama institutions have jointly purchased property damage coverage for owned fine arts property. The policy protects “objects of art or rarity or historic merit of every nature and description, and their frames, crates, cases, and packing materials.” Included within this definition are paintings, sculptures, rare books and rare book collections, valuable collections of papers and documents, etc. The policy protects against all risks of physical loss and damage, unless specifically excluded.

Fine arts property is insured at its “current market value.” The University provides the insurance company each year an identification of the main locations of its fine arts items and a list of its highest valued items. The campuses have also been requested to carry out an inventory of all fine arts property valued at more than \$100,000. The property is insured wherever located, including when it is in an “in transit” status.

Often fine arts property is loaned to the University (such as for display purposes), and the contract between the owner and the University will require that insurance be provided by the University for the property while it is on University property or in transit. In that event, this policy provides coverage, on what is termed a first party/all-risk basis without regard to liability (that is, whether or not the University’s negligence has caused the loss/damage). If the contract between the parties does not require such coverage, however, the policy still provides some coverage under a “bailee’s legal liability” clause if the University is found to be responsible for the loss.

If you have any questions about this coverage, contact Bob Rieder at 824-6633 or riederr@uah.edu.