

Insuring Your Jewelry



Your Jewelry Isn't Automatically Fully Covered

A standard homeowner's (or renter's) insurance policy will provide some coverage for valuables such as jewelry, arts and collectibles. However, coverage for high-value items is usually limited to **around \$1,500 per piece**, and is subject to your deductible.

If the value of an individual item (such as an engagement ring) exceeds the stated limit, there is **no coverage** for the difference unless you purchased a **"scheduled personal property" endorsement**.

That means on a standard homeowner's policy, your, say, \$14,000 wedding ring set would only be covered for \$1,500 – and that only after you pay the deductible (which is usually \$1,000).

(Yes, you read that right. In this example, with the coverage on a standard homeowner's insurance, you would have to *pay* \$1,000 to receive only \$1,500 in coverage. There would be *no* replacement for the remaining \$11,500 – and that's not taking into account appreciation.)

The "Scheduled Personal Property Endorsement"

70 percent of personal property claims involve jewelry. A "scheduled personal property endorsement" allows you to protect your valuable jewelry for their appraised value, for as little as \$12 per \$1,000 of coverage (per year).

This endorsement can be added to your homeowner's or renter's policy and applies not only for jewelry, but also for antiques, art, high-value rugs, furs, coin collections, firearms, sports-gear and certain other items.

It provides coverage for losses such as fire, theft or 'mysterious disappearance' and applies *without* a deductible.

More Than A Special Gift – It's An Investment

The prices for gold and precious stones have been on a steady rise over the past few years: The price for Gold has increased by 27 percent in 2010 and 66 percent since January 2008; Platinum has run up 18 percent and silver 70 percent just in 2010! Some rare precious stones even have doubled in value over the course of the past five years.



While jewelry is often thought of as a romantic gift for a special person, it is also becoming a popular investment.

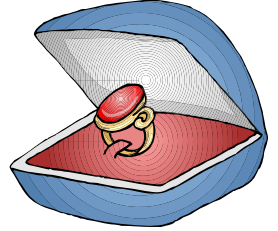
That's why it is not only important to protect your jewelry, but also to get it appraised every few years to maintain adequate insurance protection for the item.

Getting Engaged?

If you are getting ready to propose to your girlfriend, 'insurance' is probably not a thought on your mind. (Understandably so.) But, as 'unromantic' as it seems, please allow us to remind you to obtain coverage.

As long as the ring is at the jeweler's, it is protected. But as soon as you pick it up, it becomes your responsibility to insure it by adding a scheduled jewelry endorsement to your homeowner's or renter's policy.

One important note: If you and your girlfriend don't live together, the insurance question can become a little more complicated. As long as the ring is still in your possession, the ring can be insured on your homeowner's or renter's policy. But as soon as you propose – and give the ring to your fiancée – it becomes *hers*, and must be insured on *her* homeowner's or renter's policy. When in doubt, just give our office a call.



Of course, this advice doesn't apply only for an engagement ring. It is wise to protect all your expensive jewelry or watches with a jewelry endorsement. Are you going to give her those diamond earrings she's been dreaming about for Christmas? Is he receiving a Rolex for Father's Day or his well-earned retirement? Please get them insured.

Inheritance

If you inherited jewelry, do yourself a favor and be sure to get it appraised. Nine times out of ten, people assume that the jewelry they inherited is costume jewelry and of little value. And nine times out of ten, they are wrong.

Our office has collaborated with a local appraiser, and she recommends an appraisal whenever you're in doubt. *"I once appraised a bracelet that turned out to be very rare Scottish jewelry from the mid-1800's, valued at \$ 4,500 – a piece that was just about to be given to the Thrift Store! Don't let that happen!"*

In order to schedule a piece of jewelry, we ask that you provide a picture of the item, and either a receipt or a professional appraisal.

Even though we are insurance agents, there is a non-insurance alternative for high-value jewelry that you don't want to give away, but aren't wearing either: Investing in a safe deposit box for items that are seldom used may be less expensive than scheduling.

Just be sure to get adequate protection with a "scheduled personal property endorsement" if you change your mind and bring some of those nostalgic pieces home to use regularly.

More Questions?

Please call us at **425.379.9200**. We're here to help!