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Fine Arts Insurance

<http://www.ucop.edu/ucophome/policies/bfb/bus1.pdf>

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Refer all campus questions to:

Business and Finance Bulletin Home Page: <http://www.ucop.edu/ucophome/policies/bfb/>

I. REFERENCES

The Regents of the University of California Insurance Policies:

- Fine Arts
- Species-Fine Arts and Library Collection

Business and Finance Bulletins

- BUS-28, [Self-Insured Property Program](#)

Please note that two different programs are available to cover Fine Arts. It is important to understand the differences in coverage and what is necessary to secure coverage.

II. INTRODUCTION

Risk of physical loss to fine arts and collections owned, loaned, or borrowed by the University is insured through two separate insurance policies purchased under the direction of the Office of Risk Services, Office of the President. The two policies are Fine Arts (Scheduled) and Species-Fine Arts and Library Collections (Unscheduled). This Bulletin describes the coverage available and the procedures for securing coverage and reporting losses.

III. FINE ARTS

A. GENERAL DESCRIPTION OF FINE ARTS POLICY

This Section addresses the risks covered under the University's Fine Arts Insurance policy. The coverage described below is a summary of the Fine Arts Insurance policy; however, it is only to be used as a guideline and is not inclusive of all of the terms, coverages, exclusions, limitations and conditions of the actual insurance policy. Specific questions and discussions regarding coverage should be addressed through Campus Risk Management or the Office of Risk Services.

B. NAMED INSURED

The Regents of the University of California, all corporations, partnerships, joint ventures, organizations, and other entities, as have existed or as now or may hereafter exist, or for which it is required to or has agreed to maintain insurance, including any affiliated, associated, allied, and subsidiary entities.

C. TERRITORY

Coverage is provided worldwide, except for the following countries: Israel, Iraq, Iran, Afghanistan, Albania, Bulgaria, Libya, Liberia, Cuba, The Czech or Slovak Republics, Hungary, Poland, or any of those territories formerly comprising and known as the Union of the Soviet Socialist Republics and the former country of Yugoslavia.

The countries listed above are excluded as a result of the known existence of art theft rings and the high frequency of art theft.

D. LIMITS OF INSURANCE

Permanent Collections and Exhibits

\$50,000,000 at any campus location (per loss)
\$20,000,000 at any other location or in transit
\$20,000,000 earthquake aggregate per campus
\$50,000 sub-limit for film – Property of Others

Foreign Transportation and Exhibits

\$5,000,000 any one loss

E. DEDUCTIBLE

\$1,000 - Each claim for loss or damage separately occurring (applies only to owned objects).
\$10,000 - Earthquake (each and every loss)

F. COVERED PROPERTY

1. Permanent Collections

Works of art, including paintings, etchings, drawings, (including their frames, glasses and shadow boxes), pictures, statuary, rare books, manuscripts, rugs, tapestries, and other bona fide works of art, or rarity, historical value, or artistic merit, including:

a. Property of the Insured.

- b. Property of others on extended loan to the Insured for a period of six months or more.
- c. Property of others offered as gifts to the Insured or for sale to the Insured and while awaiting formal acceptance by the Trustees.
- d. The Insured's interest in residuary gifts and jointly owned property, but only to the extent of the Insured's interest therein at the time of the loss or damage.

All of the above being part of, and known as the University's Permanent Collection, while on exhibition, or otherwise, and while in transit within and between the states of the United States, the District of Columbia and the provinces of Canada.

2. Domestic Exhibits

Fine Arts temporarily on display at locations inside the continental United States and Canada. This includes property of others loaned to the Insured and which the Insured has been instructed to insure, covering said property on a "wall to wall" basis from the time the said property is removed from its normal repository, incidental to shipment, until returned thereto or other point designated by the owner or their agent prior to return shipment, including while in transit and while on exhibition or otherwise within and between the states of the United States, the District of Columbia and the provinces of Canada.

3. Foreign Exhibits (International Transportation & Exhibitions)

Fine Arts which require coverage outside the continental United States and Canada. This includes property of others which the Insured has been instructed to insure while at locations outside of the states of the United States, the District of Columbia and the provinces of Canada, attaching from the time such property shall become at the risk of the Insured and covering until the Insured's interest in such property shall cease.

G. COVERED PERILS

1. Permanent Collections and Exhibits

All risks of physical loss or damage from any external cause, except as excluded.

2. Property in Transit

- a. All risks of physical loss or damage from any external cause, including War Risks for Overseas Transit.

H. PERILS EXCLUDED

1. Wear and tear, gradual deterioration, moths, vermin, inherent vice, or loss or damage sustained due to or resulting from any repairing, restoration or retouching process.
2. Hostile or warlike action.
3. Shipments by mail unless registered first class mail or parcel post provided, however, such shipments by parcel post shall not exceed the sum of \$1,000 (USD) in value.
4. Against loss or damage to property shipped under “on deck” Bills of Lading.
5. Nuclear reaction or radiation, or radioactive contamination.
6. Chemical, biological, biochemical, electromagnetic weapons and cyber attack.
7. Terrorism

I. VALUATION

1. Property of the Insured shall be valued at the current market value of the property at the time any loss or damage occurs. The loss or damage shall be determined according to such current market value.
2. Property acquired or to be acquired by the insured as a gift or under wills or similar requests shall be valued at the current market value at the time the loss or damage occurs. The policy will not cover such property beyond the University’s interest therein and in the event of loss of such property, the interest of the University at the time of the loss shall be that as stipulated in the will, bequest, contract or other document executed between the University and the donor of said property.
3. Property of others loaned to the insured and which the insured has been instructed to insure, or for which the insured may be liable, shall be valued at amounts agreed upon by the insured and owners. In the absence of an agreement, the insurance policy will not be liable beyond the current market value of the property at the time the loss or damage occurs and in no event for an amount in excess of that specified in the policy.
4. In the event of loss or damage to a Pair or Set, the insurance is extended to cover, as part of such loss, the reduction in value of the pair or set when the said reduction in values results from the damage or destruction of other parts of the pair or set.

J. IN THE EVENT OF A LOSS

1. All losses shall be promptly reported to the Campus Risk Management Office and the Office of Risk Services, Office of the President.
2. All incidents involving theft or vandalism should also be reported to the campus and/or local police department.
3. Take reasonable emergency measures to mitigate any further damage.

K. PROCEDURE FOR SECURING COVERAGE

Campus Risk Management submits an annual report to UC's insurance broker, which is due March 15. Items will remain on the list as originally reported. Any newly acquired items or changes should be reported to Campus Risk Management in order for coverage to take effect and/or the changes to be accurately reflected on the policy.

Requests to insure Permanent Collections should include:

1. Department Name and Account Number
2. Name of the Collection
3. Itemized inventory of the Collection
4. Total value
5. Location of the Collection

A request to insure an Exhibit should include:

1. Department Name and Account Number
2. Name, Dates and Location of the Exhibit
3. Itemized inventory of the Exhibit
4. Total value
5. Packing, Shipping and Transit Details
6. Security details

IV. SPECIES-FINE ARTS AND LIBRARY COLLECTION

A. GENERAL DESCRIPTION OF SPECIES-FINE ARTS AND LIBRARY COLLECTION

This Section addresses the risks covered under the University's Species -Fine Arts and Library Collection insurance policy. This policy provides coverage for unscheduled and miscellaneous items that are not reported under the Fine Arts Insurance Policy described above. The coverage described below is a summary of the insurance policy; however, it is only to be used as a guide and is not inclusive of all of the terms, coverages, exclusions, limitations and conditions of the actual insurance policy. Specific questions and discussions regarding coverage should be addressed through the Office of Risk Services.

B. NAMED INSURED

The Regents of the University of California, all corporations, partnerships, joint ventures, organizations, and other entities, as have existed or as now or may hereafter exist, or for which it is required to or has agreed to maintain insurance, including any affiliated, associated, allied, and subsidiary entities.

C. TERRITORY

Coverage is provided worldwide.

D. LIMIT OF INSURANCE/DEDUCTIBLE

This policy provides limits of \$1,000,000,000 excess of a \$1,000,000 deductible.

Claims falling within the \$1,000,000 deductible will be covered under BUS-28 Self-Insured Property Program, and subject to the following schedule of deductibles.

\$1,000 for all perils with the following exceptions:

- \$5,000 per occurrence for water damage (90% of claim funded for losses in excess of \$50,000)
- \$5,000 per occurrence for fire
- \$5,000 per occurrence for non-forced-entry theft

E. COVERED PROPERTY

All forms of (a) Fine Art of any nature or description and (b) Library Collections of any nature or description, including but not limited to:

Volumes, serials received currently, personal manuscripts, UC archival manuscripts, other archival materials, maps, microfilm reels, micro cards, microfiche, microprints, pamphlets, government documents, audio discs, audio cassettes, audio reels, compact discs/digital audio, videotapes, videodiscs, multi-media kits, motion pictures, filmstrips, pictorial items, 35 mm slides, computer tapes, monographic CD-ROM discs, serial CD-ROM discs and floppy discs.

Covered property includes:

1. Property of the Insured;
2. Property of others on loan to the Insured;
3. Property of others offered as gifts to the Insured or for the sale to the Insured and while awaiting formal acceptance by the Insured;
4. The Insured's interest in residuary gifts and jointly owned property, but only to the extent of the Insured's interest therein at the time of the loss or damage; All of the above being part of, and known as the Insured's Permanent Collection, while on exhibition or otherwise, and while in transit worldwide.
5. Property of the Insured or property of others loaned to the Insured and which the Insured has been instructed to insure, covering said property on a "wall to wall" basis from the time the said property is removed from its normal repository, incidental to shipment, until returned thereto to or other point designated by the owner or their agent prior to return shipment, including while in transit and while on exhibition or otherwise worldwide.

F. COVERED PERILS

All risks of physical loss or damage from any external cause, except as excluded.

G. PERILS EXCLUDED

1. Wear and tear, gradual deterioration, moths, vermin, inherent vice, or loss or damage sustained due to or resulting from any repairing, restoration or retouching process.
2. War; invasion; acts of foreign enemies; hostilities (whether war be declared or not); civil war; rebellion; revolution; insurrection; military destruction or damage to property under the order of any government or public or local authority.
3. Shipments by mail unless registered first class mail or parcel post provided, however, such shipments by parcel post shall not exceed the sum of \$1,000 (USD) in value.
4. Against loss or damage to property shipped under "on deck" Bills of Lading.
5. Nuclear reaction or radiation, or radioactive contamination.
6. Earthquake, landslide or subsidence.

Note: The Species-Fine Arts and Library Collection insurance does not insure loss caused by Earthquake, which is included under the Fine Arts Insurance Policy.

H. VALUATION

1. Property of the Insured shall be valued up to the current market value of the property at the time any loss or damage occurs in respect of non-scheduled property.
2. Library contents of the insured shall be valued as per the scheduled limits set forth in the policy.
3. Property acquired or to be acquired by the Insured as a gift or under will or similar bequest shall be valued at current market value at the time the loss or damage occurs.
4. Property of others loaned to the insured and which the insured has been instructed to insure, or for which the insured may be liable, shall be valued at amounts agreed upon by the insured and owners.

I. IN THE EVENT OF A LOSS

1. All losses shall be promptly reported to the Campus Risk Management Office and the Office of Risk Services, Office of the President.
2. All incidents involving theft or vandalism should also be reported to the campus and/or local police department.
3. Take reasonable emergency measures to mitigate any further damage.

J. PROCEDURE FOR SECURING COVERAGE

This coverage will automatically apply to items that are not specifically scheduled under the Fine Arts Insurance Policy. However, annual inventories of the items to

be covered under this policy should be submitted to the Office of Risk Services, Office of the President by March 15 of each year.

V. RESPONSIBILITIES

A. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

Protect University art collections and exhibits through restoration of property loss/damage, risk analysis, loss control and prevention.

B. CHIEF RISK OFFICER, OFFICE OF RISK SERVICES, OFFICE OF THE PRESIDENT

1. Review the Fine Arts Program on a continuing basis and determine the most effective manner by which to manage this risk;
2. Assist Chancellors in the application of the Program and its coverage of specific situations;
3. Report new losses to the Broker of Record.
4. Act as the University's representative to the insurance industry;
5. Maintain and manage the University's Risk Management Information.

C. CHANCELLORS AND HOSPITAL DIRECTORS OR DESIGNEES (HOSPITAL/CAMPUS RISK MANAGEMENT COORDINATOR)

1. Ensuring campus personnel are informed of the Fine Arts Program and coverage available under the program.
2. Establish campus procedures for identification and reduction of risk exposures.
3. Review and/or approve department request for insurance in accordance with this Bulletin and local campus procedures.
4. Assist departments submitting claims on insured fine arts and provide any additional data required in the settlement process of campus claims.
5. Promptly report claims to the Office of Risk Services, Office of the President.
6. Direct campus personnel in efforts to mitigate damage, secure and collect any documentation necessary to support the loss or damage and coordinating any required insurance visits with campus personnel.