

# TWO FOR TUESDAY from Big "I" Markets

## RISING PASSIONS, FREE RISK MANAGEMENT WEBINAR & MISCELLANEOUS LAWSUITS

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### INVESTMENTS OF PASSION ARE ON THE RISE; AIG Offers Comprehensive Coverage and Pioneering Loss Prevention Solutions

By Rand Silver, Global Director of Art Collections Management *AIG*

Whether your clients have spent a lifetime accumulating a world-class art collection, or have simply decorated a home with antique furniture and carpets, these items have both financial value and sentimental worth. In fact, investments of passion are on the rise, and spending on luxury goods continues to outpace economic expansion. High net worth individuals spend as much as 11% of their total worth on collections comprised of everything from fine art and antiques, to jewelry, wine and collector cars.<sup>1</sup> The numbers are staggering: it is estimated that between \$2-\$4 trillion worth of art and collectibles is in private hands<sup>2</sup> and the global art market has reached \$54 billion in both public and private sales.<sup>3</sup>

Insurers, agents, and brokers have realized that for many of our clients, collections are their most valuable asset. Most homeowners policies are inadequate for covering collections, so a number of insurers have created innovative private collections insurance policies to ensure our clients are adequately protected in the event of a loss. American International Group, Inc. (AIG) member companies offer a fine art insurance policy that contains specific language for covering fine arts risks. This type of policy usually has no deductible and comes with broader terms and conditions for protection in the event of natural disasters and to address such issues as market appreciation, partial damages, and loss to objects within a pair or set.

#### Coverages Include:

- Comprehensive worldwide coverage
- Automatic coverage for new acquisitions
- Diminished value coverage for partial losses
- Market appreciation up to 150%
- Agreed values
- Pair or set coverage
- Spoilage coverage for wine

In a real life example, a policyholder tossed his keys across his living room, accidentally puncturing a valuable canvas. Not only did AIG find the appropriate conservator and pay for the painting to be restored, but we also asked an appraiser to re-value the painting post-conservation and ultimately compensated the policyholder for the subsequent loss in value due to the damage. Once the painting was restored, we even paid for a professional art handler to re-install the work with appropriate hardware.

In the event of a loss or disaster, any insurance company can write a check. But at AIG, we realized that the rapid rise in the value of collections presented unique risk management issues. To respond to these issues, we assembled a dedicated team of art risk managers tasked with helping our policyholders to avoid a loss in the first place. Unrivalled in the industry, each member of our Art Collection Management team has at least a decade of prior art world experience. Leveraging this experience, we are able to respond to any need, from recommending appraisers and conservators, to writing international transit protocols and assisting with earthquake mitigation for vulnerable collections.

#### Value Added Services:

- On-site vulnerability assessments for collections
- Bespoke referrals for appraisers, shippers, conservators, and storage facilities
- Emergency planning
- Coverage reviews
- Expert claims handling
- Database management assistance
- Engineering inspections with thermographic cameras

AIG Private Client Group, a division of the member companies of AIG, offers complete personal insurance solutions for successful individuals and families. Its innovative products and services are designed to enhance protection of, and minimize

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threats to, personal wealth and safety. In addition to robust private collections coverage, AIG offers policies for fine homes, automobiles, excess liability, yachts and more.

## About the Author

As Global Director of Art Collection Management, Rand oversees all aspects of risk management for AIG's collections portfolio. Working with a team of seasoned professionals, Rand provides collections-related loss prevention services to policyholders, ensures that high-valued art claims are handled seamlessly, and provides disaster mitigation and response services. Throughout his career, Rand has inspected some of the most important and complex collections in the Americas, Europe and the Middle East.

<sup>1</sup>Capgemini World Wealth Report 2013

<sup>2</sup> Michael Mendelsohn, Life is Short, Art is Long - Maximizing Estate Planning Strategies for Collectors of Art, Antiques, and Collectibles, Acanthus Publishing

<sup>3</sup> The TEFAF Art Market Report 2014

AIG's fine art insurance policy can be accessed via the Big "I" Markets Affluent Program, and is available when written as a package with the primary home.

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## SPECIAL FEATURE:

### **Free Risk Management Webinar Feb 18th Avoiding E&O Exposure When Advocating For Customer Claims**

The Big 'I' Professional Liability Program and Swiss Re Corporate Solutions are hosting a FREE risk management webinar on February 18th at 2 p.m. EST to provide members with the guidance on how to avoid E&O exposure when advocating for customer claims. The webinar will last about 45 minutes and share details on the "Do's" and "Don'ts" when advocating for customer claims after an initial denial. A 2012 survey of panel counsel attorneys for Swiss Re revealed that improperly advocating for customer claims was one of the most common errors and most dangerous things agents could do to expose themselves to E&O claims.

All agency staff can benefit from attending this webinar. Register today!

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## MISCELLANEOUS LAWSUITS

You paid \$2,500 (or more) per seat to a ticket broker to attend last Sunday's Super Bowl. Three days before the big game you get an email from them saying they won't be able to provide a ticket. Many of these brokers wait until right before the big game to buy the tickets because usually sellers drop prices so they won't end up holding unsold tickets. This year the supply of tickets dried up (at any price) and the ticket brokers began informing their customers they will not be getting tickets. While the fine print may allow the brokers off the hook with nothing more than a refund it may not stop the civil lawsuits.

You hear about the higher profile profession such as a Public Relation firm getting sued but what about the others?

- Web Developer
- Dog Groomer
- Trustee
- Interior Designer
- Notary Public

You can serve all these professionals and a lot more by accessing Philadelphia's **Miscellaneous Professional Liability** policy through Big "I" Markets. "Cover-Pro" provides errors and omissions coverage to a great variety of professionals, via endorsement to a basic claims-made, pay-on-behalf policy. The underwriting staff tailors each policy to address the exposures unique to each class of business.

## COVERAGE HIGHLIGHTS & AVAILABILITY

Universal Coverage Features/Benefits:

- Defense afforded for groundless, false or fraudulent allegation
- Pay-on-behalf insuring agreement
- Reasonably priced, extended reporting period
- Policy allows for insured consent to settlement
- Definition of claim includes arbitration proceedings

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- Predecessor firm coverage provided
- Coverage extends to independent contractors
- Wrongful acts not imputed to innocent partners
- Free 60-day discovery clause
- Prior acts coverage is available for qualified applicants

## Limits Available

- The liability limits available range from \$100,000 limit up to \$15,000,000.
- Minimum premium: \$1,000
- Minimum deductible: \$2,500
- Maximum deductible: \$100,000

A non-exhaustive list of Eligible Professions is a good place to start then head over to [www.bigmarkets.com](http://www.bigmarkets.com) for more information.

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## WEBINARS

### Ethical and Legal Obligations

"Legal and Ethical Obligations for Insurance Professionals...Or 24 Ways to Get Into So Much Trouble Even Agent Jack Bauer Can't Save You"

February 11, 2015; 1:00 to 4:00 p.m. Eastern Time

\$79 - [Click here to register.](#)

This webinar discusses the many ethical and legal obligations that insurance professionals have as a matter of statute, regulation, or case law (tort and breach of contract). Included are the types of legal and ethical obligations faced by agents and other insurance professionals, with a focus on how to make daily decisions within a legal and ethical framework. 24 specific areas of agency operation are examined, along with any legal and ethical components within those areas. VU webinar questions can be sent to [bestpractices@iiaba.net](mailto:bestpractices@iiaba.net).

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AIG Offers Comprehensive Coverage and Pioneering Loss Prevention Solutions

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**Remember that you can view the following webinars 24/7 by checking out the BIM Webinar Library. To do that log onto Big "I" Markets and click on "Publications".**

- Personal Liability Trends - Fireman's Fund
- TravPay
- Commercial Lessor's Risk
- Affluent Homeowners
- Travelers Select Products (series)
- Travel Insurance
- Community Banks
- XS Flood
- Real Estate E&O

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- RLI Personal Umbrella
- Affluent Homeowner
- "Oh, by the way...Flood Sale"
- Habitational
- Non-standard Homeowner
- Student Housing

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## "OH BY THE WAY...FLOOD SALE" WEBINAR

Interested in learning flood marketing techniques? Participate in the "Oh, By the Way...Flood Sale" webinar presented by Big "I" Flood. Topics in the fast-paced 1 hour presentation include: Reasons to Sell Flood Insurance · Reasons Consumers Should Buy · Limited Product Knowledge · Misconceptions by Agents & Consumers · Talking Points & Myth Busters · The Flood Risk · Flood Resources – Facts & Statistics.

Webinar dates:

- **RESCHEDULED** - Wednesday, February 11th at 2:00 p.m. EDT

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## BIM WEBSITE TRAINING WEBINAR

For all you folks who recently registered for Big "I" Markets, remember you can participate in a webinar from the comfort of your office to help you learn how to navigate around the system. Every Thursday at 2:00 p.m. EST we'll show you how to navigate the Big "I" Markets platform, including how to submit a quote! Register for the webinar by sending an email with your name and company name to [bigimarkets@iiaba.net](mailto:bigimarkets@iiaba.net). Include "Website Navigation Webinar" in the subject line or body of your email. A recording of this webinar can be found under "Publications" after logging into Big "I" Markets.

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## TWO FOR TUESDAY TRIVIA

Be one of the first five with the correct answers and win an envy-inspiring *TFT* Trivia T-shirt. Don't forget to answer the Tie Breaker!

1. Steve Winn accidentally poked his elbow through which famous Picasso painting?
2. Sunday's Super Bowl XLIX. What will it be called next year?
3. Would Philadelphia's Miscellaneous Professional Liability cover a Safety Consultant?

## TIE BREAKER

How many times in Super Bowl history has a kickoff been returned for a touchdown?

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## LAST WEEK'S MOST CLICKED LINKS

Here are the top three items that got BIM agents clicking from our last edition... see what you missed!

1. A Broad Abroad travel blog
2. Travel tip sheet
3. Travel Insurance comparison sheet

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## BIG "I" MARKETS SALE OF THE WEEK

Congrats to our agent in Florida on a commercial valuable articles sale of \$1,274 in premium!