



# *I Filed My Claim, Now Where's My Money?*

by Shaunda Clifton

“Okay, so what’s the problem? I pay my premium on time so why can’t you pay me on time?”

Frustrating isn’t it? In a way it can make one feel that the insurance company is trying to get out of paying a claim. Then the list of things that the insurance company wants from you before they even talk about settlement seems ridiculous and unfair. Makes you feel like it is not worth having insurance.

As a fine arts claims adjuster of many years, my goal is not to harass you in any way. I want to protect your interest as the artist/owner, not victimize you all over again. There are reasons why I ask for the things that I do. Regardless of what many think, your interest is put first when a claim is filed.

It may seem like your insurance company is trying to settle for the least amount possible but that is really far from the truth (a reputable company anyway). I am required to make any settlement (or denial as necessary) based on what your policy states. Too many times I hear people say “I don’t read my policy” or “I don’t open things from my insurance company.”

As an example, one of the claims that I worked on recently involved the theft of a painting. The insured

purchased the painting for around \$500 several years back from a gallery. When I started asking questions about the painting and if he had saved the receipt, he became very angry. He just demanded his \$500 from the purchase. With every question about the painting that I asked he grew more and more upset. He was demanding a check for \$500. The most I was able to get from him was the artist’s name, it was oil on canvas and the size of the painting (unframed). There was no provenance for the painting. I told the gentleman that I would have to do some research and I would call him back the next day. Based on the comments he made prior to hanging up, he seemed to think that I was going to find a way to give him less than the \$500 he was asking for.

On review of the valuation clause in his policy, settlement was to be made based on market value (MV). As I began to research the artist and any recent auctions (or sales), I found that the MV was actually in the \$1,500 range. I called him the next day to let him know and to review MV with him, then I explained that I would be able to offer a settlement for \$1,500. I was not able to offer more since there was so little known about the painting. He was very happy with the settlement and

told me that he now understood why I needed so much information. All of the questions that adjusters ask are primarily to come up with a fair settlement.

**T**hink and plan ahead; then the odds are that you won't need to file a claim. Should you ever have to, though, keep in mind that you will be asked to provide certain documentation. Different documentation is requested based on whether or not you are the artist, a museum, a gallery, private collector, etc. Here are some examples of what your adjuster may ask you to provide:

- Purchase invoices/agreements (to confirm that you are the owner, its purchase date and purchase amount).
- Consignment Agreement (to confirm who the owner is and what the financial interest of the artist/owner is).
- Provenance (to help confirm that the work is authentic).
- Pre-loss and Post-loss photographs (this gives a better idea of what the piece(s) look(s)/looked like; this also can assist a conservator).
- Sales documents (if the piece was sold but not yet delivered – this may affect the settlement depending on the valuation clause in the policy).
- Selling price verification (this can be store inventory, web page, brochure, etc).
- Previous sales (if you are the artist and no pricing using other means is available).

Additional information that may need to be provided:

- Detailed description of the piece and the frame (this will aid in the recovery of the piece).
- Medium used.
- Size (framed & unframed).
- Was it a commissioned piece?
- Who had access?
- How was it displayed? (or storage information)
- Is there any other insurance available?

It is very important for the adjuster to ask and obtain information and documents that are available. In the

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The insurance company, in the event of a loss, is going to request documentation showing ownership. The FAR ID together with the Certificate of Authenticity (FAR) has met that request. Whether you are the artist or the owner of a spectacular art piece, the documentation that is going to be needed is already there for you to present along with a photograph of the piece pre-loss. Having the FAR ID tag is essential in putting the owner and their favorite fine art pieces back together.

situation described above, the painting was worth more than the insured realized. The adjuster is not trying to get by with the cheapest settlement but the fairest settlement. Don't hesitate to ask the adjuster questions and/or clarify. Keep in mind that insurance is there to indemnify; it is not there to make a profit. The goal is to put things back to pre-loss condition. When theft is involved there is a loss, and that is one sale that cannot be made – there is a money loss. What may seem like intrusive questions are really asked to better assist the adjuster in the investigation (such as with theft) as well as the settlement.

If you are asked to provide a recorded statement, don't think that it is because the adjuster is suspecting you of fraud or trying to trip you up. Most insurance companies do require a recorded statement when theft is involved. This is done primarily for the adjusters benefit. It gives a source to go back and refer to. One word can change the whole meaning of a statement. Remember that you can ask questions or clarification of why the statement is needed. You also have the right to refuse to give a statement.

When it comes to fine arts, there are numerous insurance policies out there. Policies are not "one size fits all". There are standard pre-written policies, which may not be the right one for your needs, to manuscript policies that are specific to one's needs. The valuation clause can be different from policy to policy (this is why documentation of purchase and sales prices is needed). Let your agent/broker know exactly what it is that you do and how you make sales, etc. so that the best policy for you can be set up.

There are also insurance brokers who work primarily with fine arts. Look for the agent or broker who is going to have your best interest as priority; one that will work with you and for you when it comes to any area of

insurance including any claims that are filed. If you feel a claims adjuster is not being fair or there is another problem let your agent know and the agent can contact the adjuster and find out what is going on. ✍️

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## Art and Insurance Series

Shaunda Clifton, fine art claims adjuster and writer, will be contributing a series of articles on insurance and the artist for Fine Art Registry. Look for future articles on the following subjects:

**Art and Insurance Series #2** *Insurance: What the Heck Does That Have to do with Me?*

**Art and Insurance Series #3** *Five Reasons Why Artists Need Insurance*

**Art and Insurance Series #4** *Insurance is Not "One Size Fits All"*

**Art and Insurance Series #5** *OK, So Do I Go to My Local Agent?*



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