

Claim Trends in the Fine Art Insurance Market: What's Really Driving Losses?

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As the claim manager for HTB, I have a front row seat to which types of losses are happening most often, and which ones turn into the largest, most complex claims.

Across our portfolio the story is consistent: fine art and musical instrument claims still come from a few familiar areas: damage in transit and everyday handling issues. What is changing is how concentrated and costly these losses are becoming.[1]

A Stable Market, but More Impactful Claims:

Rather than a spike across every type of risk, losses are clustering in a small group of well-known risks, which suggests exposures are not expanding in unexpected directions so much as deepening in familiar risks such as transit and handling.

Overall, global art sales remain in the tens of billions of dollars each year, with the U.S., U.K., and China together accounting for more than three-quarters of the market by value.

Within that context, reducing avoidable damage in transit, improving everyday handling, and preparing for environmental events will remain central to managing both the frequency of claims and the severity of losses when they occur. In other words, there is a great deal of value at stake, and when something goes wrong with high-value works, even a single claim can be significant.

Artwork in Transit:

Transit related incidents continue to be one of the leading sources of loss. Artworks move frequently between private collectors, galleries, auction houses, museums, and storage facilities. Each move introduces another opportunity for something to go wrong: a crate dropped, a truck delayed in extreme temperatures, or a miscommunication about who is responsible at a given hand-off.

Industry commentary supports what we see in claims: insurance companies regularly identify accidental damage during transit as the most common type of fine art claim, because objects are more vulnerable when they are being moved rather than when they are hanging on a wall[2].

Even small lapses in packing standards, temperature and humidity control, or documentation of who handled the work can result in damage that is expensive to repair, leading to expensive repair costs and slow claims settlement.

Environmental and Natural Disaster Losses on the Rise:

Environmental and natural disaster events are also showing up more often in higher value claims. Water intrusion, humidity swings, and storm damage are all recurring themes. Recent wildfires in California in 2025 and severe hurricane seasons on the U.S. East Coast are examples of events that can affect multiple works at once and strain local resources for conservation and storage.

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This is consistent with research on cultural institutions more broadly. A study of U.S. galleries, libraries, archives, and museums found that about 56% reported increased damage to collections from water or moisture between 2017 and 2019, and highlighted coastal institutions as especially at risk from sea-level rise, flooding, and storm surge[3].

For insurance companies and clients alike, these events are challenging because they often involve:

- Multiple works affected simultaneously,
- Difficult decisions about conservation priorities, and
- Complex valuation questions when markets are volatile.

All of this tends to lengthen the life of a claim and raise the overall cost.

Everyday Handling and Operational Gaps:

A third, persistent driver of claims is accidental damage during installation, display, and storage. These incidents rarely make headlines, but they happen regularly enough that they add up.

Typical examples include:

- Damage while installing or de-installing an exhibition,
- Contact with walls, doorframes, or other objects during movement within a building,
- Improper storage, including stacking or placing objects in unstable positions.

In many cases, these are not “acts of God” but signals of operational gaps: inconsistent training, limited supervision, or procedures that are not followed under time pressure.

Why Some Claims Become Complex:

Fine Art Claims that become complex tend to share a few similar traits:

- High-value works: When a single piece is worth seven figures or more, even minor damage can trigger substantial conservation and valuation costs.
- Multiple contributing factors: Two or more factors that contribute to damage. For example, a crate may be dropped during transit and then left in a non-climate-controlled space, combining impact damage with environmental exposure.
- Disputes over condition and history: Questions about pre-existing condition, prior restoration, or incomplete condition reports can slow negotiations and increase legal and expert-review costs.

These overlapping elements increase both the financial impact and the time required to resolve a claim.

Practical Risk Management: Focus on What You Can Control:

The key takeaway is not simply that losses occur, but that many of them arise from predictable and, in many cases, preventable conditions. That means the top risk-management tools are often operational, not purely financial.

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Some of the most effective measures HTB sees include:

- Packing and transit protocols
  - Implement standardized packing methods, use of approved materials, and require vendors to follow defined packing protocols.
  - Clear documentation of responsibilities at each stage of transit.
  - Requirements for temperature-controlled and, where needed, humidity-controlled transport.
- Environmental controls
  - Monitoring systems for temperature and relative humidity in storage and display areas.
  - Emergency response plans for water events, storms, and wildfires, recognizing that climate-related risks are increasing for cultural institutions, especially in coastal and high-risk regions[4].
  - Defined backup and escalation plans, including alert systems that notify key staff when environmental thresholds are breached, off-site data and inventory backups, and pre-arranged relationships with conservators and emergency vendors so institutions can mobilize quickly when an incident occurs.
- Rigorous condition reporting and handling procedures
  - Thorough condition reports before and after transit or exhibition.
  - Consistent training for in-house teams and any third-party handlers.
  - Clear, written procedures for installation, de-installation, and internal moves.

Looking Ahead:

The fine art insurance market is not facing an entirely new set of threats. Instead, it is dealing with familiar causes of loss that have become more consequential as values have risen and climate-related risks have intensified. At the same time, rising costs for specialized conservation services, packing materials, logistics, and fuel mean that the expense of responding to a loss is increasing even when the underlying cause looks familiar. Higher hourly rates for experts, longer and more complex supply chains, and increased transportation and storage costs all contribute to larger claim totals, reinforcing the need to prevent avoidable damage wherever possible.

Why having a fine art broker is important?

At HTB, we understand that each collection is unique. Our fine art brokers provide our clients with personalized guidance. For more information, please contact a representative from Huntington T. Block at: **HTBinfo@huntingtontblock.com**.



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[1] https://theartmarket.artbasel.com/download/The-Art-Basel-and-UBS-Art-Market-Report-2024.pdf
[2] https://www.insurancebusinessmag.com/ca/guides/fine-art-insurance--everything-you-need-to-know-167717.aspx
[3] https://www.lsu.edu/mediacenter/news/2023/01/climate-change-impacts-museums-galleries.php
[4] https://ccaha.org/news/emergency-preparedness-age-climate-change

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