

The changing nature of natural risk and HOW TO HELP PROTECT YOUR FINE ART COLLECTION FROM NATURAL DISASTERS



By Isabelle de St. Antoine

In recent years, heat records are being broken across the globe, wildfires continue to increase in frequency and severity, and floods are now seen across the United States, all evidencing that the nature of natural risk appears to be changing. Further predictions don't show a reduction in these risks, researchers are predicting an "extremely active" 2024 hurricane season.¹

With this in mind, how should you prepare to protect your fine art collection in face of this reality?

This article provides an update on climate challenges and presents the importance of enforcing risk management practices to help protect your art collection from natural disasters.

FLOOD

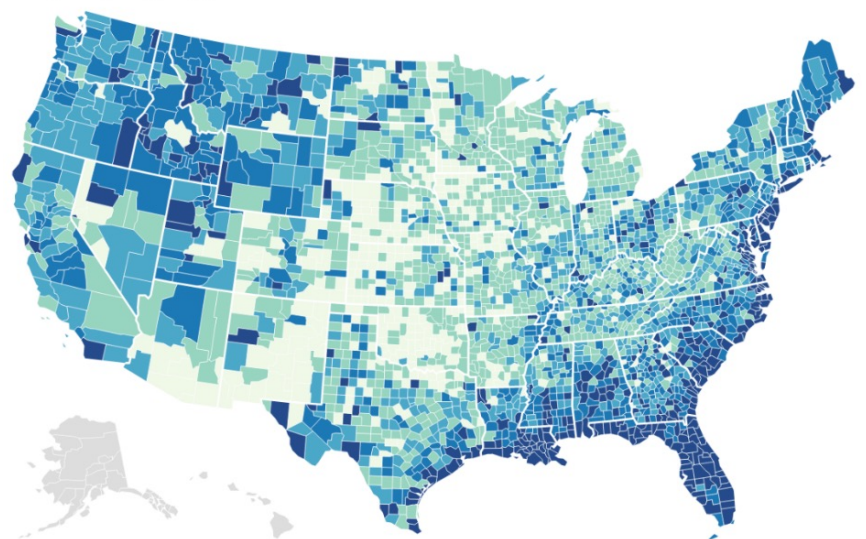
Flood risks across the US are increasing much faster than expected. Hurricanes are a big risk for flooding. With that said, the 2024 hurricane season is predicted to have a "well above-average" likelihood for major hurricanes to hit the continental United States coastline and in the Caribbean², leading to major flood risks.

Over the next thirty years, the costs related to flood damages are expected to rise by 26%.³ Despite this, construction in high-risk areas is on the rise, further pushing the predicted flood related losses even higher. The flood map⁴ below estimates where the flood risk is due to rise the fastest within the US between 2020 and 2050.

Where flood risk is projected to rise fastest in the US

A new analysis projects changes in flood risk between 2020 and 2050 by zooming in on every neighborhood across the U.S.

Percentage rise, 2020-2050



Flood damage measured in 2020 U.S. dollars.

Map: The Conversation/CC-BY-ND • Source: Wing, et al. 2022 • Created with Datawrapper

Over, please.

For more information related to fine art insurance, please contact Huntington T. Block at HTBinfo@huntingtontblock.com

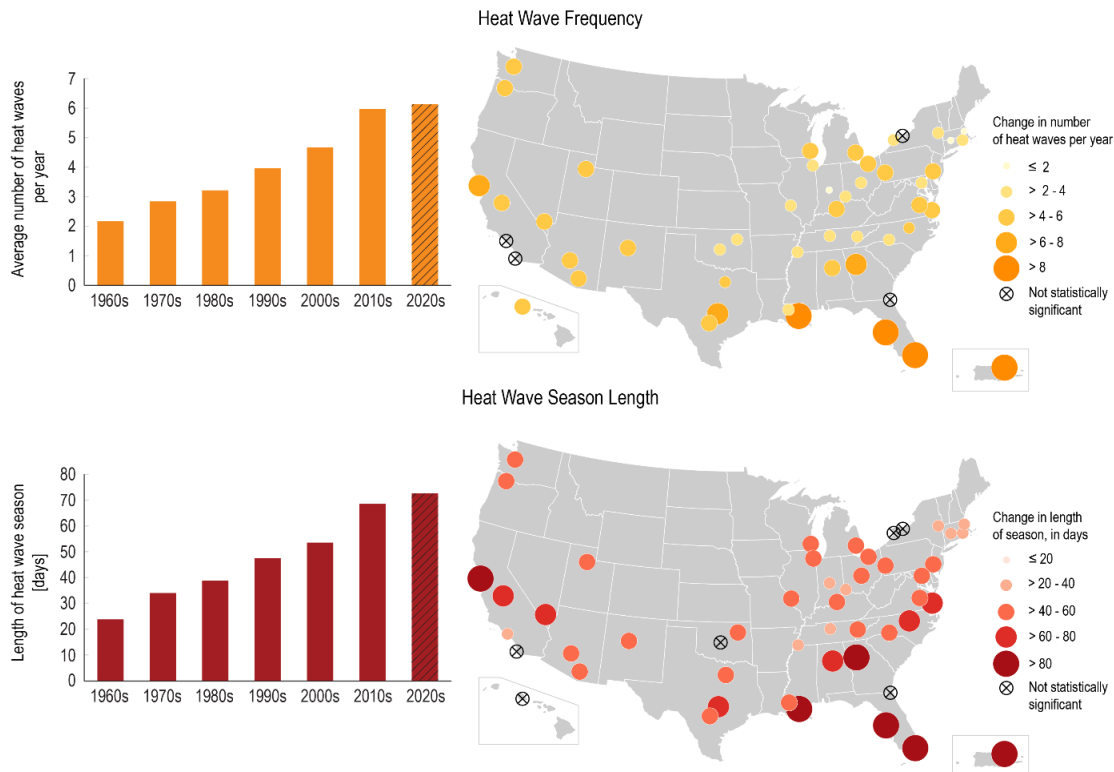
HEAT RECORDS

2023 was the earth's hottest year, with heat waves increasing in intensity and duration across the globe.⁵ 2024 will most probably be another year of above average surface temperatures. Studies show that climate change is making heat waves more frequent and intense, especially in major cities.⁶

The below heat wave maps⁷ demonstrate that in the 1960s, the US experienced, on average, two heat waves per year, compared to more than six times per year in the 2020s. Additionally, the average heat wave season across many major US cities is now 49 days longer in duration than in the 1960s.

Increasing frequency and intensity of heatwaves adds greater importance for proper HVAC maintenance and implementation where fine art is stored or housed in order to protect it for years to come.

Heat Wave Characteristics in 50 Large U.S. Cities, 1961-2021

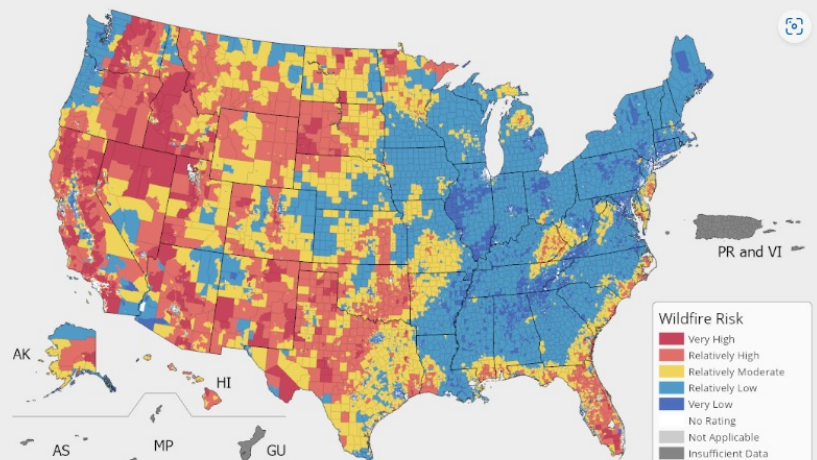


WILDFIRE

The number of Americans at risk of wildfire exposure has doubled in the last two decades.⁸ Elevated fire risks are predicted in 2024 for the Great Lakes region, Hawaii and parts of the Midwest and Southwest.⁹

Warming temperatures and increasing dry air, are accelerating the spread of wildfires, and making it more challenging to prevent. The Nonprofit Climate Central, examined historical trends in fire weather across the U.S between 1973 to 2022. Their findings show that wildfire seasons are intensifying and lengthening. Now, many parts of the Eastern US are also experiencing impactful increases in wildfire risks.¹⁰

The below is FEMA's 2023 Wildfire Annual Risk Index Score and Rating looking at a community's relative risk of wildfire compared to the rest of the United States, highlighting the spread of wildfire risks.¹¹



PROTECTING FINE ART FROM NATURAL DISASTER

Although you cannot control when natural disasters strike, you can put a plan in place to help protect your artwork and minimize damage. Here are few tips on how to prepare for a natural disaster with specific actions that can be taken after an event occurs.

PREVENTION PLANNING TIPS

1) Understand your environment

- The first step in natural disaster planning is to establish what threats are most likely to affect your home, museum, or gallery. Your disaster risk planning and response will differ depending on if you are preparing for a wildfire, hurricane, earthquake, or tornado prone area.

2) Identify your property's structure and surroundings

- Assess your building's structure (construction and design), as well as storage areas to help decide which areas would be most vulnerable in case of a disaster and what areas would be best to move the items to (for example, a safe room or elevated storage area).
- Assess your surroundings to determine if they pose a hazard to your artwork and evacuation plan. For example, is the location near a body of water/wildfire canyons or in a remote area which is difficult to get to?

3) Establish key players and communication

- Determine who is in charge of drafting the disaster plan and executing it in case of an emergency.
- Ensure that everyone is aware of their roles and conduct training as necessary.
- Have an updated emergency phone tree/risk prevention list in place. A phone tree can set out who to notify of an event and coordinate recovery. This could include nearby fine art storage warehouses or art galleries which have agreed to pick up artwork in case items have to be moved off premises.

4) Create and Maintain Inventory Lists

- Ensure that there is an up-to-date itemized inventory for a collection, accessible to all relevant parties, and a copy is located offsite (physical copy at another location) and/or virtually.
- HTB encourages clients to have appraisals updated every three to five years. Updated appraisals help ensure that the limit of insurance is adequate in the event of loss or damage. In addition, the more updated documentation that clients have of their collection, the smoother the claims process will be since an adjuster can use this information to help process the claim and determine next steps.

ACTIONS TO BE TAKEN IF A NATURAL DISASTER STRIKES

- If you have property damage and it is safe to do so, document the damage via photographs.
- Conduct an inventory and contact your fine art insurance broker for assistance.
- Begin recovery clean-up as deemed appropriate.

KEY TAKEAWAYS

Understand your environment, create a disaster risk plan, know your priorities, and who is involved in the plan. From an insurance perspective, have updated documentation of the art collection in case of a claim and regularly review your fine art insurance policy with your fine art insurance broker to help ensure that you have adequate insurance coverage in place.

WHY HAVING A FINE ART BROKER IS IMPORTANT?

We trust that this article has provided you with some important tools to help plan ahead and protect your fine art collection from a natural disaster. At Huntington T. Block we understand that each collection is unique. Our fine art brokers provide our clients with personalized guidance.

For more information related to fine art insurance, please contact Huntington T. Block at HTBinfo@huntingtontblock.com

¹ <https://www.insurancejournal.com/news/national/2024/04/04/768099.htm>

² <https://www.iii.org/press-release/triple-i-2024-atlantic-hurricane-season-forecast-to-be-very-active-040424>

³ <https://www.nature.com/articles/s41558-021-01265-6>

⁴ New flood maps show US damage rising 26% in next 30 years due to climate change alone, and the inequity is stark (theconversation.com)

⁵ <https://www.cnet.com/science/climate/wild-weather-ahead-heres-how-2024-is-shaping-up-after-the-hottest-year-on-record/>

⁶ https://www.washingtonpost.com/climate-environment/interactive/2022/maps-heat-wave-climate-change-us/?hpid=hp_hp-top-table-main-climate-change-us%3Ainteractive%3Ahomepage%2Fstory&hpid=hp_hp-top-table-main-climate-change-us%3Ainteractive%3Ahomepage%2Fstory

⁷ Global Change Information System

⁸ <https://www.cbsnews.com/news/risk-of-wildfires-near-homes-doubled-why/>

⁹ <https://apnews.com/article/wildfire-season-2024-firefighters-climate-653890235089c9fc7b5aac2e4c66fd7>

¹⁰ <https://www.climatecentral.org/climate-matters/fire-weather-2023>

¹¹ <https://hazards.fema.gov/nri/wildfire>

This article is provided for general informational purposes only and is not intended to provide individualized advice. All descriptions, summaries or highlights of coverage are for general informational purposes only and do not amend, alter, or modify the actual terms or conditions of any insurance policy. Coverage is governed only by the terms and conditions of the relevant policy.

Huntington T. Block Insurance Agency, Inc. is a licensed insurance producer in all states; Texas License #17489; operating in CA under license # 0825502.

Aon Private Risk Management Insurance Agency, Inc. is licensed in all states including the US Virgin Islands (CA 0C42470); in CA, Aon Private Risk Management of California Insurance Agency, Inc. (0B33296).

© 2024 Affinity Insurance Services, Inc.

N-14772-0924

