

TOTAL INSURANCE SOLUTIONS for the Art and Music Communities



DISASTER AND RISK MITIGATION PLANNING

By Isabelle de St Antoine

Prior to the Covid-19 pandemic, disaster planning for fine art traditionally focused on being prepared for natural disasters affecting particular regions.

In March 2020, as the world came to a standstill, all businesses and individuals had to stop everything, and rethink about how they would continue to operate under such a level of uncertainty. Disaster preparedness took center stage and became a critical tool used to help determine essential operations and implement a continuity plan.

With almost 60 years helping clients weather storms and significant disaster events, HTB has a wealth of experience in helping art clients with disaster preparedness. In this article, we will share some top considerations when putting together your disaster plan, regardless of what type of disaster it is. The considerations are:

COLLECTION MANAGEMENT:

Ensure that there is an up to date itemized inventory for the collection, accessible to all relevant parties and offsite. We encourage clients to have appraisals updated every three to five years, if possible. Updated appraisals help ensure that the limit of insurance is adequate in the event of loss or damage. The more documentation that clients have on their collection, the smoother the claims process will be since the adjuster can use this information to help process the claim and determine next steps.

PREPARE THE PROPERTY:

Assess the property where the artwork is located and determine what precautions can be taken to minimize on-site damage. Avoid storing fine art in attics or basements where artwork could be more at risk to water damage or uneven temperatures.

If buildings are left unoccupied for a long period of time, and staff are not at the location, it's important to maintain the same security measures as well as temperature and humidity controls to best protect artwork from theft, pests, or water damage.

STORAGE ARRANGEMENTS:

A pre-arranged storage plan is key. When selecting a storage facility, ensure that the storage facility is equipped to best protect your artwork. This includes checking if it is climate controlled, has security monitoring, firewalls, and a back-up generator in case of a power outage.

EVACUATION PLANS:

Ensure that an evacuation plan is in place in case the collection needs to be quickly transferred to another location. Start by reviewing the inventory list in order to determine which key pieces should be prioritized to move and what considerations should be made for these pieces (location/ materials/weight).

Over, please.

For collectors or galleries where art is in different geographical locations, adapt emergency plans per location and ensure that the emergency plan can still be carried out even when the owner is not on-site (example: pre-arrangements with local art handlers or storage facility).

CLAIMS SCENARIO

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During the busy hurricane season of 2018, a museum on the Atlantic Coast did what they could to brace for the brutal force of a Category 4 hurricane headed straight-on. They boarded up the museum, packed artifacts and collections in safe areas of the building and made sure that the computer inventory records were all backed up on an offsite server. This was not their first hurricane.

Although the storm made landfall as a greatly weakened Category 1 hurricane, winds were strong enough to knock out power across the region. In addition, because of the slow motion of the storm, heavy rain continued for several days causing widespread flooding. Once the staff was able to safely check the museum, they were relieved that the roof stayed intact and it appeared that the museum weathered the storm reasonably well. But when the rain finally stopped and they could do a more thorough check on the building, they found that the leaks were far more extensive than expected and that without climate control, the mold was becoming a big problem.

With extensive repairs needed for the building, unknown time of when power would be restored, and active mold being a major concern, it was determined that the entire museum's collections had to be moved to another location to keep the collections safe.

HTB arranged for an adjuster to quickly secure offsite storage for the museum and procure art handlers to move the collections. After about 18 months of building repair and reconstruction, the collections were safely moved back to the museum.

Even though, thankfully, there was only minimal damage to the collections, the actual claim was significant due to the costs associated with packing, transit, and offsite storage of the entire museum's collections, and conservation work to a few damaged artifacts.

THE VALUE OF HUNTINGTON T. BLOCK:

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With Huntington T. Block (HTB)'s unique staff of art and insurance professionals, we work directly with our clients to understand their collection and obtain tailored insurance coverage that meets their needs. We help clients identify and prepare for potential hazards and advise on fine art risk mitigation and disaster preparedness.

During the pandemic, we have been advising clients on how to handle shipments in transit, what considerations to be made for temporary art storage, and best practices for loans which could not be returned as originally planned.

During the tropical storm season, HTB closely monitors potential threats, discusses disaster planning with clients, and helps ensure that fine art claims adjusters are on standby and readily available to respond to clients who have suffered a loss.

With HTB, you can be assured of receiving responsive service and the peace of mind that the specialized coverage is in place, in the event that a disaster strikes.



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