Don't Let a Burglar Grinch Ruin Your Holiday; Protect Expensive Gifts with the Right Amount and Type of Insurance

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NEW YORK, December 20, 2012 ? Gifts are an important part of many holiday traditions, and while you can?t put a price on their sentimental value you certainly can?and should?insure their financial value in case a costly item is lost, stolen or destroyed by a fire or other disaster, according to the Insurance Information Institute (I.I.I.)

?If you receive a sparkling engagement ring, a stunning piece of art or even took advantage of the end-of-year sales to treat yourself to a new set of golf clubs or fast new bike, it is important to contact your insurance professional to make sure the items are properly insured,? said Jeanne M. Salvatore, senior vice president and consumer spokesperson for the I.I.I.

Generally speaking, personal possessions are covered under standard homeowners and renters insurance policies. However, there may be a limit on the amount covered for theft. Typically, items such as jewelry, furs, collectibles and precious stones are limited to \$1,000 to \$2,000.

To properly insure jewelry, consider purchasing additional coverage through a floater. In most cases, a floater also provides coverage for ?mysterious disappearance,??for example, if your wedding ring falls off your finger or is lost, you would be financially protected.

Floaters (also known as endorsements) are available as an addition to homeowners and renters insurance policies, carry no deductibles and frequently provide the option of having the insurance company replace the item for you. Prices vary depending on the type of jewelry, the insurance company you choose, where you live and where the item will be kept. In addition to jewelry, floaters are also available for furs, fine art, musical instruments and even sports equipment.

If you receive an expensive present and want to make sure it is adequately protected, the I.I.I. suggests the following:

• Contact an insurance professional immediately. Let your insurance professional know that you now own a piece of jewelry, a fur or other expensive item. Find out how much coverage you have under your current policy and whether additional insurance is needed.

- Find out if you have a replacement cost or actual cash value policy. An actual cash value policy pays to replace your possessions minus depreciation, while a replacement cost policy pays to replace your possessions at their current market value. For example, if a fire destroys your 10-year-old TV a replacement cost policy will pay to replace the television with a new one. On the other hand, an actual cash value policy will pay only the depreciated amount of the TV. Some replacement cost policies also replace the item and deliver it to you. Generally, the price of replacement cost coverage is about 10 percent more than that of actual cash value, but it is a better value in the long run. However, keep in mind that if you have a National Flood Insurance Program policy for your belongings, it is only available on an actual cash value basis.
- **Keep a copy of the store receipt.** Forward a copy of the receipt to your insurer so that the company knows the current retail value of the item. Keep a copy for yourself and include it with your home inventory.
- **Have the item appraised**. Heirlooms and antique jewelry will need to be appraised for their dollar value. Ask your insurer for recommendations regarding a reputable appraiser. It is important that expensive items be appraised properly?if you purchase a floater, you will pay a premium based on the appraised value and, in the event of a claim, be compensated for this dollar amount.
- Take a photo or video of the item. Get into the habit of keeping a visual record of all of your personal possessions. If you use a video camera, you can also provide a verbal description of the item or collection. This helps to document your loss and speed up the claims process. It is also useful for documenting antique and unusual pieces of jewelry.
- Add the item to your home inventory. A home inventory can help you purchase the correct amount of insurance and speed up the claims process when there is a loss. To make creating your inventory as easy as possible, you can use the I.I.I.?s free Web-based home inventory software, Know Your Stuff® Home Inventory. The software includes secure online storage so you can access your inventory anywhere, anytime. You can also download the Know Your Stuff app in the iTunes App Store (or search for ?iii inventory?) or from Google Play. Information about your belongings can be entered either through the mobile app or online and your data will automatically synchronize between the two. All of your information will be kept in your personal, password protected account, on Amazon secure servers. And, like the online version, the Know Your Stuff® app is free of charge.

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