

Hiscox Fine Art



About Hiscox MGA

Hiscox is a leading specialist insurer and reinsurer, headquartered in Bermuda, with roots dating back to 1901. Hiscox MGA is an independent business division wholly owned by Hiscox, operating across a number of different lines and geographies. Hiscox MGA writes business using both 100% Hiscox capacity and also capacity provided by other highly-rated carriers.

We are not a traditional insurer.

We target specific classes of business in which we develop expertise, often focusing on areas other insurers find too complex to insure. By challenging convention we offer market leading products and services to businesses.



Hiscox and fine art

Insuring art requires a specialist. The Hiscox love of art gets into everything we do: not only do we insure it, we also collect, sponsor and promote it.

As a world leading insurer of fine art and collectibles, we have a wealth of experience of protecting valuable possessions and unique objects.

From the restoration of fragile or contemporary art to the recovery of stolen works, our expertise is extensive. Our relationships with the art world mean if you have to make a claim you can be sure your case will be handled in the most sensitive way possible. We appreciate that your time is precious: you can rely on us for effective and speedy settlement of claims.

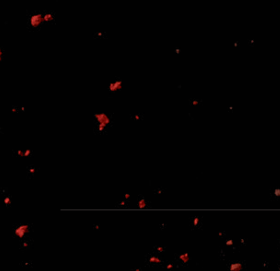
The range of art we insure is as diverse as the people who buy, sell and show it. We also offer bespoke cover for a range of specialist collectibles including:

- musical instruments
- classic cars
- vintage aircraft
- sports memorabilia
- stamps.

In short we cover anything that is collectible and has a value that might belong to:

- private collectors
- corporate collections
- museums and exhibitions
- dealers
- galleries.

Hiscox MGA has a capacity of up to \$150m any one loss, any one location for fine art.

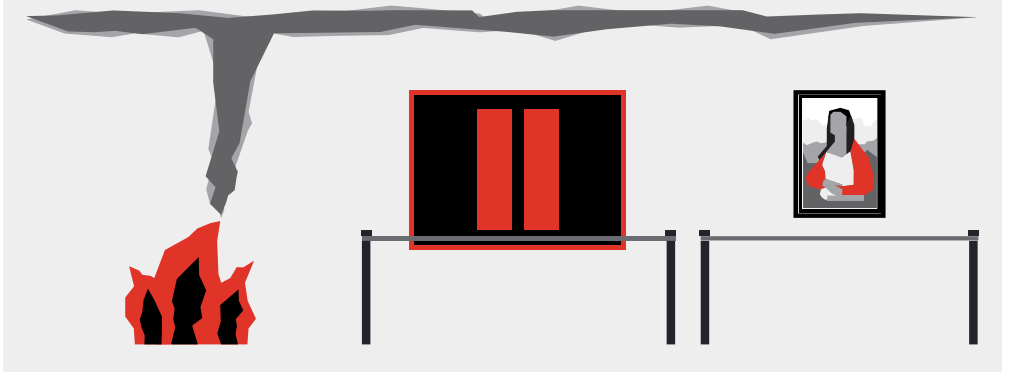


Why buy FAC reinsurance for fine art?

- The value of individual works of art sold at auction has increased dramatically (see figure 1) so the likelihood of having a fine art claim exceeding \$10m is much greater now than it was five years ago.
- More and more works of art are being valued at higher prices and this is an uncomfortable exposure to accommodate within a property treaty.
- Protect your property reinsurance program by facultatively reinsuring your spikey fine art exposure.
- With such an exposure comes an equally damaging reputational risk if claims are not handled correctly and fine art claims are notoriously difficult to settle. This is because, contrary to popular belief, the majority of claims do not come from thefts.

Most claims involve partial damage and come from everyday occurrences such as:

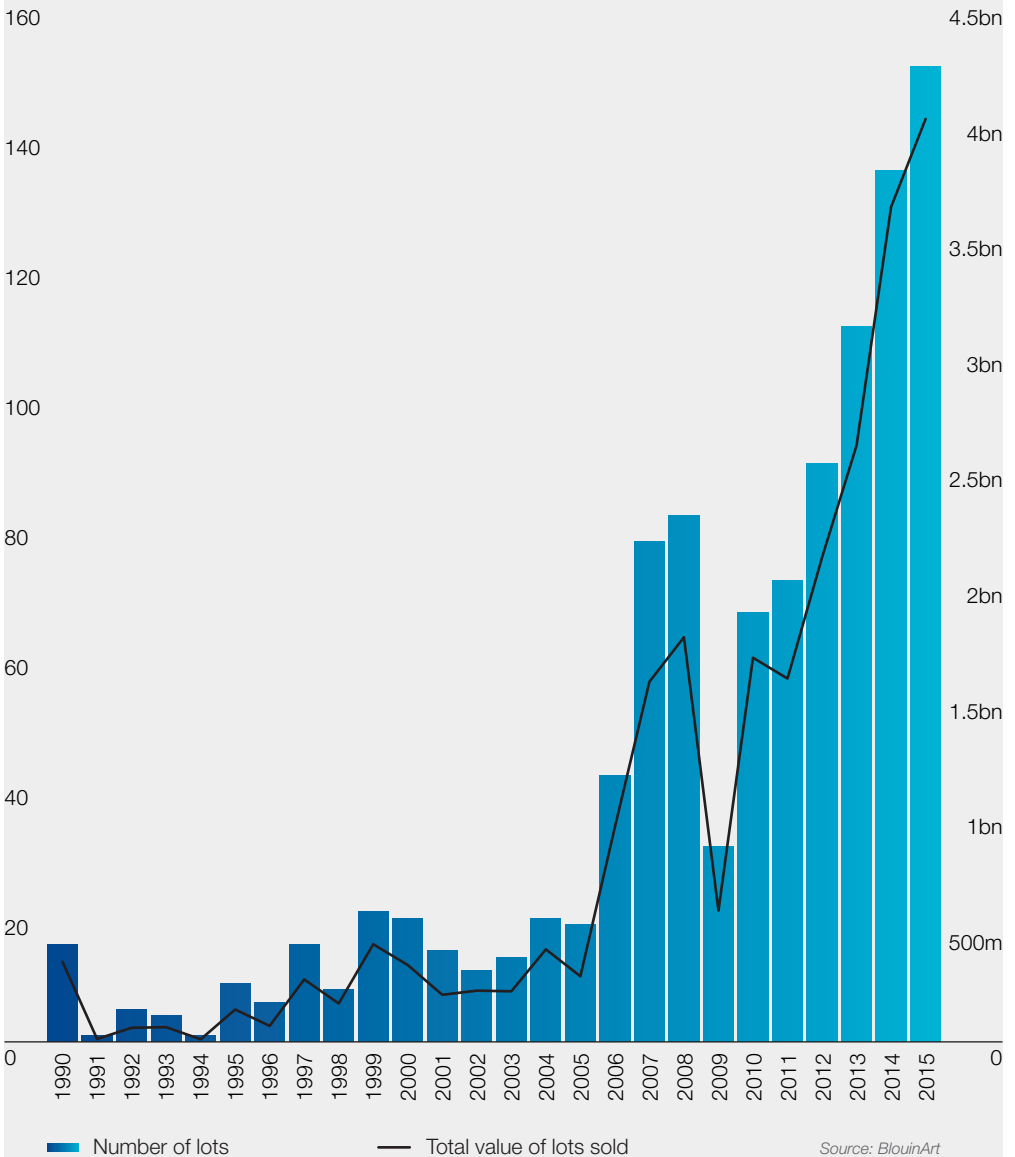
- an oil painting being accidentally damaged while being moved or hung
- flood damage following extreme weather
- a sculpture being accidentally lost by a shipper during transit
- the loss of a whole collection during a fire.

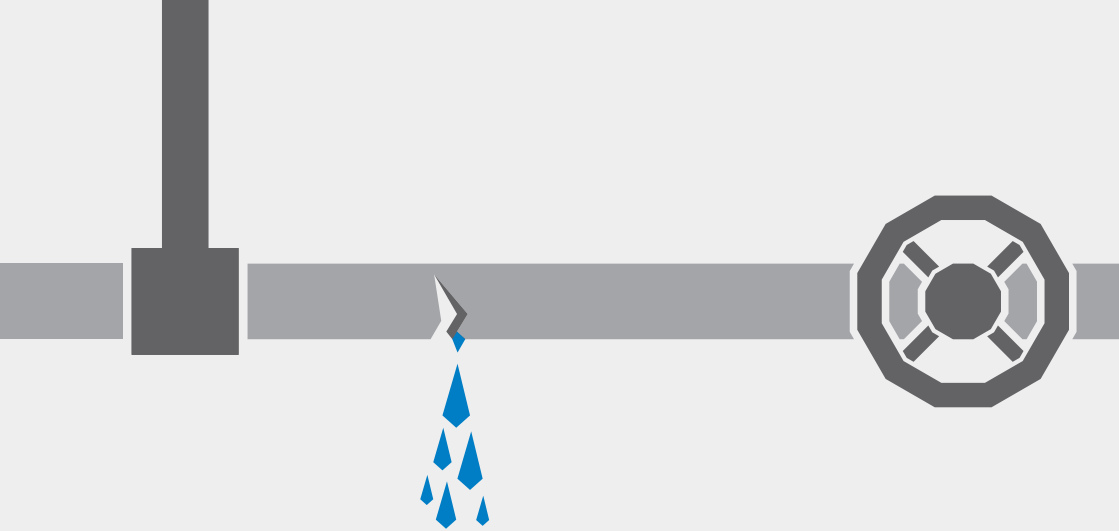


Lots sold greater than \$10m

Between January 1990 and December 2015

Figura 1





Potential loss scenario

The following example shows how complex a fine art claim can be.

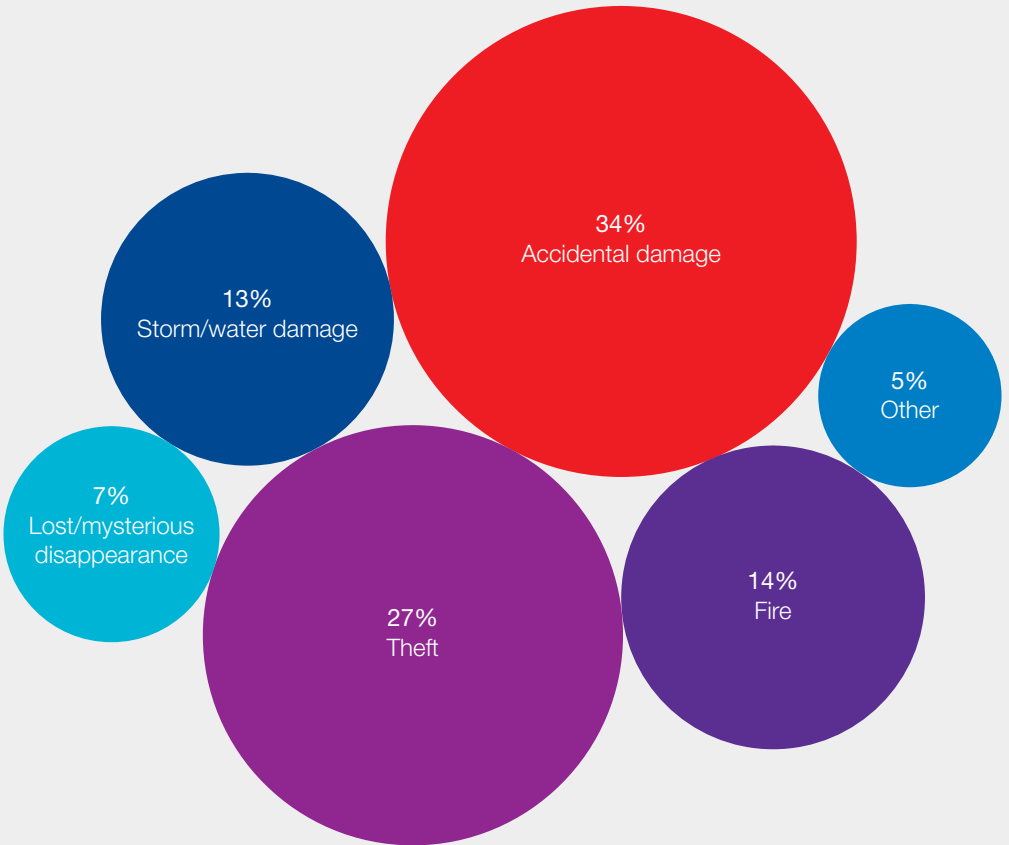
A Picasso oil painting worth \$10m is water-damaged by a burst pipe while the insured is on holiday. This triggers a claim under a fine art policy.

An adjuster visits to examine the damage and the painting is sent to a restorer. The insurer pays for the painting to be restored. Following the damage, the painting has suffered depreciation which is calculated to be 20% of the insured value. The Insured receives \$2m in addition to the restoration as part of his claim settlement which would not have been covered under a typical property policy.

There are many moving parts to settling a fine art claim. The majority of our claims involve partially damaged items and in these cases it is never straightforward to calculate the depreciation of an item, as different experts can come up with wildly different numbers.

This is where our expert claims underwriters and loss adjustors are required. Ceding the fine art exposure to Hiscox ensures claims are dealt with quickly and fairly.

Fine art claims for the last 20 years





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