



Gallagher

The Structure Supporting the Collection: Art, Jewelry and Collectibles

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Insureds may think they own their collection. In practice, it is a little more complicated than that.

The moment a painting leaves an insured's wall, a diamond necklace travels internationally or a collector car is shipped for an event, ownership becomes only part of the equation. What matters just as much is control, custody and how responsibility is structured if something goes wrong.

Unfortunately, that space is where most collections quietly break down.

Collecting used to be simpler. You bought something, lived with it and eventually passed it on. The structure behind it was minimal, and for a long time, that was enough.

It no longer is.

Today, art, jewelry and collectibles move constantly. They are stored across multiple homes, cities and jurisdictions. They are loaned, exhibited, transported and increasingly held within trusts or entities as part of broader wealth and estate planning. At scale, collections operate less like static possessions and more like actively managed portfolios.

And once they begin to move, the requirements change.

Collectors are no longer just owners. They are, in effect, managing a structure meant to support their collections.

As art, jewelry and collectibles move across locations and generations, the real risk lies in how they are owned, managed and insured.

Risk is often misunderstood in this context.

It is natural to think of exposure as a single event, a theft, a fire or a loss in transit. In reality, risk is far more likely to emerge in the moments between those events.

A painting is loaned to a museum. It is covered under a collector's policy, but the institution also carries insurance.

Damage occurs during installation. The key question is no longer what happened, but whose policy responds, what is covered, what is excluded and how those policies will interact.

A piece of jewelry travels regularly between New York, Palm Beach and Europe. It is insured under a structure designed for static ownership. It is lost while in transit with a third party. The issue is not simply the loss, but whether the coverage was ever designed for that level of mobility.

A collector car is owned through an entity, stored in one state and shipped internationally. Something goes wrong mid-transit. Ownership, custody and coverage are all layered separately and must now be reconciled at the point of claim.

In each of these moments, the outcome is often influenced as much by the underlying agreements as the insurance itself, which is why loan agreements, transport contracts and consignment terms should be reviewed by counsel and aligned with your insurance structure in advance.

These are not unusual scenarios. They reflect how high-value collections are traditionally used.

When something goes wrong, outcomes are rarely determined by the incident itself. They are determined by the structure surrounding it.

- Who had control at that moment?
- Which coverage responds, and in what order?
- Are there counsel-reviewed contracts in place?
- Is there an emergency plan?
- Is the value current and supportable?
- Did each party understand their responsibilities clearly beforehand?

When those elements are aligned, the process is manageable. When they are not, it becomes complex quickly.

This is where many collections face their greatest exposure. Not from a lack of insurance, but from misalignment.

Over time, ownership, custody and insurance often drift apart. A work may be owned through one structure, held in another location and insured under a framework built around an earlier version of the collection.

This rarely happens deliberately.

A piece is relocated. A new collectible is acquired. Lending becomes more frequent. Market values increase but are not revisited regularly. Each decision makes sense on its own. Over time, they create a structure that no longer reflects reality. On paper, it appears consistent.

It is only when the collection is tested, through a claim, a transfer or a dispute, that the gaps become visible. By then, the structure is already in place, and the problem already exists.

Insurance plays a critical role, but it is often misunderstood as the solution rather than part of it. Many programs are still built around a static model of ownership. One location, limited movement, clear control. That framework does not reflect how most significant collections operate today.



Even well-designed programs face common challenges. Values that have not kept pace with the market. Multiple policies designed for different situations that do not fully align. Coverage that exists but does not respond cleanly when ownership or location shifts.

At the top end of the market, claims are not purely financial. They often involve conservation, valuation interpretation and long-term impact on the object itself. These outcomes depend heavily on how the structure was built in advance.

At this level, insurance is not just protection. It is part of the structure that determines whether a collection holds together when it matters.

The collectors who navigate this well tend to take a deliberate approach. They maintain a clear, current understanding of what they own, where it is and what it is worth. Valuation is not treated as a one-time exercise, but an ongoing discipline. They simplify ownership structures so control and decision-making are clearly defined, particularly as collections extend across generations.

They pay close attention to movement, how frequently works travel, where they are stored and under whose responsibility they sit at any given moment.

And most importantly, they ensure alignment.

Ownership, custody and insurance all reflect the same reality. There is no ambiguity between them.

This alignment has practical impact. It allows works to move between locations without creating uncertainty. It ensures that loans and exhibitions are structured with clear lines of responsibility. It reduces the risk that a routine transaction, a shipment, a loan, a transfer, becomes a point of friction.

It also ensures that, in the event of a fire, water event or other emergency, there is a clear and immediate plan in place to protect the collection, coordinate response and preserve value in those first critical hours.

And when something does go wrong, it allows the situation to resolve as intended.

For insurers and advisors, this shift is already reshaping underwriting, claims outcomes and client expectations.

What once sat within separate disciplines now requires coordination. Legal, tax, insurance and logistics are all interconnected. Decisions in one area inevitably affect outcomes in another.

The most effective approach is proactive. Structure is reviewed, refined and updated as the collection evolves — not after an issue arises. This is less about adding complexity and more about removing uncertainty.

Collection Structure Quick Check

If your insureds cannot answer “yes” to all of the following, there may be gaps:

- **Do you know exactly what you own, where it is and do you have supporting documentation?** Clean inventory, clear title and easily accessible records.
- **Are your values current and aligned with today’s market?** Updated valuations that reflect real replacement or market value.
- **Does your ownership structure match how your collection is actually used?** Entities, trusts and title aligned with movement, control and decision-making.
- **Is transit, storage and lending fully accounted for in your coverage?** Movement, exhibitions and third-party handling built into the program.
- **Have key agreements been reviewed by counsel and aligned with your insurance?** Loan agreements, consignment terms and contracts reflect real risk transfer.
- **Do you know exactly when responsibility shifts between parties?** Clear handoff points for shipping, loans, storage and third-party custody.
- **Is there a clear emergency or loss response plan in place?** Who to call, how to act and how to protect the collection in the first hours.
- **Would your insurance respond cleanly to a real-world loss tomorrow?** Not just coverage in place, but structured to perform without friction.