



How to Best Insure Precious Jewelry

Do you have jewelry that you value? If so, whether you value it for how much it is worth or for sentimental reasons, investing in insuring your jewelry proves worth while. Even though most Homeowners policies include jewelry coverage, the coverage is usually limited around \$1,500-\$2,500 roughly. Additionally, the jewelry is only covered in the event of a fire or robbery. Therefore, if the precious stone on your engagement ring were to come loose and fall off, your Homeowners policy would not cover the loss because it would be classified as a “mysterious disappearance.” Furthermore, even if your Homeowners policy did cover that loss, the small amount of coverage would do little if your jewelry was worth a great sum of money.

How do I go about making sure that my jewelry is insured properly?

There are several steps you should take to insure your jewelry properly. First you must determine the value of your jewelry. To determine the value of your jewelry, you must have it appraised by a professional. Values for gold, silver, etc., are constantly changing; therefore, even if you have had your jewelry appraised in the past, it would be wise to have it appraised again for a more accurate appraisal. Otherwise, if you were to experience a loss on an emerald ring originally appraised for \$60,000 five years ago for example, the value now could be \$90,000! In the same way, be sure to have your jewelry evaluated regularly to reassess its value, as it is ever-changing.

Before purchasing a separate jewelry policy, you may consider adding to your Homeowners policy to cover jewelry beyond your personal property coverage in your policy. Furthermore, be knowledgeable of the current coverage you have on personal property before adding more. You will want to know if your Homeowners policy covers loss of personal property in addition to theft and fire. If you wish to add coverage to your Homeowners policy, you can either obtain a Valuable Articles Endorsement or a Personal Articles Floater.

A Valuable Articles Endorsement provides higher coverage for valuable items such as jewelry. Usually Valuable Articles Endorsements have a limit of \$50,000, with a limit of \$10,000 per item. There are several benefits to adding this to your Homeowners policy. For example, there is no deductible involved with this type of coverage. Also, this endorsement provides coverage for “mysterious disappearance,” which most Homeowners policies do not include. By including breakage coverage, itemized and blanket coverage options, and coverage for pairs and sets, a Valuable Articles Endorsement could prove to be a wise investment.

A Personal Articles Floaters provides coverage for items that exceed the value that a simple Homeowners policy or Valuable Articles Endorsement can offer. In this coverage, detailed descriptions of your valuable jewelry are recorded to ease recollection of what needs to be replaced in the event of a loss. Taking pictures of the separate jewelry items could aid in this as well.

If your Homeowners policy does not cover jewelry in the event of it being lost, you will want to purchase an entirely separate jewelry insurance policy. This is called a

Valuable Items Policy. Valuable Items Policies are needed when a Valuable Articles Endorsement or Personal Articles Floater does not provide enough coverage for your valuables. Similar to a Valuable Articles Endorsement, a Valuable Items Policy also does not have a deductible. This benefits you by allowing you to rest assured that your valuables will be replaced with no out-of-pocket expense in the event of a loss. If possible, obtain the separate jewelry policy from the same company you have your Auto policy and Homeowners policy with to receive the best value.

After acquiring jewelry coverage, you should clarify special clauses of your policy. For example, if you lose one earring, will your policy replace the entire set of earrings? Or just the one? Knowing these special clauses ahead of time will help in the event of a loss.

How are claims settled in the event of loss?

If you do experience a loss regarding your jewelry, you should understand how claims are settled. The cost of replacing whatever item was lost may be less than the insured value. In this case, the amount of money you receive to cover your loss is only the amount required to replace the item, not the insured value of the item. The insured value of an item is the highest amount of money the insurance carrier will provide you with in the event of a loss. However, if the cost of replacing your item in the event of a loss is less than the insured value, you will only receive the amount of money required to replace the item.

Resources

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