

A GUIDE TO JEWELLERY INSURANCE

Items of jewellery are normally covered by contents insurance policies. These policies insure the contents of your house against a wide range of misfortunes.

This guide has been produced to help you make sure your contents policy adequately covers your items of jewellery and tells you how to make a claim should you need to. It has been prepared by the Insurance Council in conjunction with the Jewellers and Watchmakers of New Zealand Inc and the Jewellery Appraisers Association of New Zealand.

There is a range of insurance policies available – from the basic and inexpensive through to policies that offer generous cover against nearly every type of loss. You should discuss the best option for your circumstances and any specific questions about jewellery insurance with your insurance company or broker.

VALUE OF COVER

With most insurance policies, items of jewellery worth more than \$1,000 must be specified (listed and described on your policy document) and supported by a valuation. If the item is lost or stolen, the settlement (the payment from the insurance company) will be based on either the indemnity or replacement value of the item, depending on the policy.

If you request a cash settlement rather than electing to replace the items, you may receive a percentage of the replacement value. Check your policy for details or ask your insurer.

The indemnity value is the value of the piece of jewellery minus its depreciation from age and day-to-day wear and tear. In other words, the settlement you receive will be based on how much you would expect to pay to buy the item second-hand.

Replacement value is the cost of replacing the jewellery with a new item of comparable quality and specification.

Many people are unaware that most jewellery depreciates over time and usually this is the basis on which claims are settled. This means that settlement will reflect the second-hand retail value of the lost item, which takes into account age, wear and tear, and fashion appeal.

Know the value of your jewellery by having it valued by a jeweller. Have your valuation updated at regular intervals, say every two years. The cost of valuation will depend on the item. Items of jewellery valued at \$1,000 or less don't usually have to be specified on your policy. However always ensure that you include the value of your jewellery when determining your total contents sum insured. Check your policy to see what you're insured for.

How you can help reduce the chances of having to make a claim...

- When not wearing your jewellery keep items in a locked container and in a secure, but not obvious, place. Perhaps in a room other than the bedroom or the bathroom – but not somewhere so unusual that you'll have trouble remembering where it is!

- Replace worn clasps or chains so your jewellery doesn't fall off. Some policies require that you have your jewellery examined for wear and tear regularly. Check your policy.

How you can help if your jewellery is lost or stolen...

- make every effort to find it
- notify the police immediately and get written confirmation that you have notified them
- Report the loss to your insurance company as soon as possible. Take with you any documents you have for the items such as receipts, valuations, guarantee and warranty certificates

How you can help speed up the processing of your claim...

- Have proof of ownership. One of the major causes of delay in settlement is proving ownership. To avoid this, keep all receipts and other documentation relating to the items. Photos of the jewellery being worn are very helpful in proving ownership

There are a number of companies that specialise in photographing jewellery and other personal valuables for the purpose of both proving ownership and value. See your insurance company for a recommendation.

CHECK LIST

- make sure items worth more than \$1,000 are specified on your policy, as required
- have accurate and up-to-date valuations of your jewellery, both indemnity and replacement sums
- keep documents proving ownership in a safe but separate place from your jewellery