

## UNIVERSITY FINE ARTS AND COLLECTIONS INSURANCE PROGRAM

### I. REFERENCES AND RELATED POLICIES

#### A. Business and Finance Bulletin (BFB)

BUS-1 Blanket Fine Arts and Collections Insurance Program

BUS-28 Property, Equipment, Money and Security Losses as a Result of Fire, Theft or Other Causes

BUS-39 Loss or Damage to Property of Individuals including Employees, Faculty and Students

BUS-71 Miscellaneous Personal Property Risk Management

#### B. UCSD Policy and Procedure Manual (PPM)

500-11 University Miscellaneous Property Insurance Program

460-1 Found/Unclaimed Property

460-3 Loss or Damage to Property of Individuals

### II. BACKGROUND

This statement sets forth the policy of the University governing the administration of the Fine Arts and Collections Insurance Program. It is the policy of UCSD to provide insurance coverage to protect University property.

### III. DEFINITIONS

#### A. Fine Arts--Domestic

Works of art, including paintings, etchings, pictures, statuary, tapestries and other bonafide works of art or rarity, historical value, or artistic merit, located inside the continental United States and Canada.

#### B. Fine Arts--Foreign

Works of art, including paintings, etchings, pictures, statuary, tapestries and other bonafide works of art or rarity, historical value, or artistic merit, which require coverage outside the continental United States and Canada.

#### C. Collections

Scheduled works of art, including paintings, etchings, pictures, statuary, tapestries and other bonafide works of art or rarity, historical value, or artistic merit, and permanently on display at one location, inside the continental United States and Canada.

### IV. POLICY

#### A. Coverage

1. Departments may purchase insurance coverage for all fine arts and collections in

their possession regardless of locations.

2. This includes all works of art as described in the above definitions.
3. Coverage is afforded on location and in transit within the continental United States and Canada. Foreign coverage is provided when special exhibits originate, or are exhibited outside the continental United States and Canada.
4. Coverage is extended to protect against all risks of physical loss or damage from any external cause except the following:
  - a. Loss or damage from wear and tear, gradual deterioration, insects, vermin, inherent vice or damage sustained to and resulting from any repairing, restoration or retouching process.
  - b. Loss or damage due to war/nuclear risks as outlined under the terms and conditions of a standard commercial "all risk" insurance policy.

**B. Premium Charges**

1. Fine Arts--Domestic

The monthly premium rate is \$.03 for \$100 value, presupposing the amount of insurance is to full value of all items to be insured. Policy limits are as follows:

- a. \$5,000,000 Located in any building at any UC campus contained within the grounds of a particular University location.
- b. \$5,000,000 Located in any off-campus building in the continental United States or Canada provided prior approval is obtained from the Campus Risk Coordinator when the value of items to be covered exceeds \$100,000 in any one building.
- c. \$5,000,000 Property in transit for any one shipment via domestic public carrier or in the custody of the insured, provided prior approval is obtained from the Campus Risk Coordinator when the value or items to be covered exceeds \$100,000 for any one shipment.

2. Fine Arts--Foreign

Premium charges must be negotiated with the Office of the President--Risk Management and the Safety Office when special exhibits are arranged by the campus and involve any exposure outside the continental United States and Canada. In addition, if an exhibit is substantial, availability of coverage and indemnification by the Federal Government, as specified under Public Law 94-158, must be explored, Exhibit A. Policy limits are as follows:

- a. \$5,000,000 Located in any one building at a foreign location.
- b. \$5,000,000 Any one shipment for foreign transit via public carrier to and from the continental United States/Canada and foreign countries.

3. Collections

The premium charge is \$.2111 per \$100 valuation for annual coverage, presupposing that the amount of insurance is to full value of all items to be insured.

**V. PROCEDURE**

**A. Fine Arts--Domestic**

1. For fine arts exhibitions in campus buildings where the value does not exceed \$100,000 for any one exhibit, the department completes the Fine Arts Exposure Report, Exhibit B, and forwards to the Campus Risk Coordinator on a monthly basis. Insurance coverage is provided for transportation to and from the exhibit, provided the value does not exceed \$100,000 and the exhibit has been professionally packed.
2. If the exhibit is to exceed \$100,000 in valuation, the department must obtain prior approval from the Campus Risk Coordinator at least two weeks in advance of the exhibit's shipping date. This includes both on-campus and off-campus locations.

**B. Collections--Domestic**

All insurance coverage for collections must have advance approval. The requesting department must provide the following information to the Campus Risk Coordinator:

1. Name of department requesting insurance coverage.
2. Name of collection to be insured.
3. Per item inventory of collection, including name and type of property (painting, sculpture, books, etc.) and value assigned to each item.
4. Total value of the collection.
5. Departmental account name and number to which the premium is to be charged.
6. Date the requested insurance coverage should begin.
7. Location of the collection (specific campus building).

**C. Fine Arts and Collections--Foreign**

The requesting department must provide the following information to the Campus Risk Coordinator at least thirty (30) days prior to the date coverage is to take effect:

1. Name of exhibit/collection to be insured.
2. Per item inventory of exhibit/collection, including the name and type of property (painting, sculpture, etc.) and value of each item. This inventory should identify the lender/owner by name and address.
3. Total value of exhibit.
4. All details of packing and shipping arrangements, including the name of the professional packer, carrier and estimated dates of transit. Domestic transit arrangements must also be included.
5. The time period the insurance is to be in effect.

6. Itinerary and the dates of the exhibition.
7. Security details on the locations where the exhibit is to be located.
8. Storage arrangements both prior to and between exhibitions.

**D. Claims**

1. To file a claim in connection with either a fine arts exhibition or a collection loss, the department completes the Personal Property Loss/Damage Report, Exhibit C, and forwards to the Campus Risk Coordinator.
2. The department should attach all supporting information (shipping documents, estimates of repair, etc.) to the Personal Property Loss/Damage Report.
3. For domestic fine arts and collections a \$250 deductible per occurrence applies. For foreign fine arts the deductible is negotiable.

**VI. RESPONSIBILITIES OF CAMPUS RISK COORDINATOR**

- A.** Review and/or approve campus departmental requests for insurance coverage.
- B.** Submit a quarterly campus Fine Arts Exposure Report to the Office of the President--Risk Management and Safety Office and/or the University's Broker of Record. This will include all of the monthly reports that have been submitted by the campus departments.
- C.** Assist campus departments in the submission of claims on the insured property, providing any additional data required in the settlement process.

**EXHIBIT A**

**PUBLIC LAW 94-158  
United States Congress, S. 1800  
December 20, 1975**

An analysis of this reveals that it was drawn to take care of the massive exhibits that are brought into the United States from Russia, China and other countries that no private carrier could possibly handle. It appears that the University could make use of the indemnification offered. The coverage is limited to protection of items of special interest, which are either exported or imported for exhibit.

A deductible of \$15,000 is imposed which may be covered either under the University's insurance program or be self-assumed by the campus.

Conditions for obtaining governmental indemnity under the law requires the submission of:

1. Evidence that the owner is prepared to be bound by the terms of the indemnity agreement.
2. A request for an overall appraisal by the indemnity application of the valuations established by others.
3. Detailed explanation of the significance, educational and cultural value of the items proposed for the indemnity.
4. Evidence of compliance with protection and packing requirements and with standards in general.

Issuing Office: Business Office

Effective: 5/1/84  
Supersedes: 10/2/67, 200-4

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**EXHIBIT B**

**FINE ARTS EXPOSURE REPORT**

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Supersedes: 10/2/67, 200-4

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**EXHIBIT C**

**PERSONAL PROPERTY LOSS/DAMAGE REPORT**