

Case study: insuring uninsurable fine art collections



Protecting fine art and other valuable collections requires more than a standard insurance policy, it demands specialized expertise to navigate the complex and varied risks that each insured faces. Every policy must be as unique as the collection itself. This case study explores how the DUAL Fine Art & Collectibles team tailors solutions to safeguard collectors, dealers, museums and more against complex risks.

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Case background

Specialty insurance lines like fine art require a white-glove service approach, backed by a deep understanding of the risks collectors face. DUAL Fine Art & Collectibles is committed to solving problems rather than turning away challenging risks. As catastrophic (CAT) exposures become more unpredictable, traditional carriers are pulling back, leading to an increase in non-renewals. This shrinking market leaves producers with limited options for out-of-the-box or high-risk accounts. In response, specialty insurance providers like DUAL North America (“DUAL”) are stepping up to fill the gap, developing innovative coverage solutions for complex and non-traditional risks.

Challenge

Fine art insurance is inherently complex, with no two collections facing the same risks. Each policy must be tailored to the specific needs of the end-insured, considering a wide variety of factors such as storage conditions, geographic risk, etc. These exposures vary greatly, and the intricacies often give pause to traditional carriers, most often when an insured is geographically located in a

catastrophe-prone area.

One unique challenge addressed by the DUAL Fine Art & Collectibles team involved a collector with a high wildfire risk score. Insuring fine art in wildfire-prone regions requires a nuanced approach to work around standard market restrictions.

Similarly, another case involved a high-value jewelry collection in Florida, where the risk of wind and storm surges made securing adequate coverage impossible for the insured. In both scenarios, unpredictable environmental threats led to the need for customized solutions that offered comprehensive protection.

Resolution

The DUAL Fine Art & Collectibles team takes a proactive, solution-oriented approach to insuring valuable collections, offering tailored solutions across a wide variety of accounts. Rather than deeming complex exposures “uninsurable,” DUAL works directly with partners to understand the unique nature of their exposure and develop creative strategies that balance protection with practicality.

In the wildfire-exposed gallery, DUAL structured coverage with a key mitigation stipulation: the gallery owner agreed to reduce inventory by half at the exposed location during wildfire season. By relocating a portion of the collection to a lower-risk storage location during peak months, the insured minimized potential for loss, while maintaining coverage.

Similarly, in the instance of the jewelry collection in Florida, DUAL and the insured agreed to move the valuables to a secure bank vault, outside the hurricane path, within 24 hours of predicted landfall. This arrangement significantly reduced the risk of loss from storm surge or high winds.

Lessons

Proactive risk management is the key to insuring high-value assets in catastrophe-prone areas. The

solutions above exemplify the power of disaster mitigation plans, which are strategies that allow both insurers and insureds to take an active role in protecting valuable collections. By requiring specific risk-reduction measures, these plans enable continued coverage for exposures that might otherwise be considered uninsurable.

This approach combines creativity, expertise and granular risk selection. Rather than applying broad exclusions or turning away accounts, our fine art team evaluates each risk on its own merit, ensuring clients receive the tailored coverage they actually need. This “innocent until proven guilty approach” opens doors for a more nuanced and solutions-oriented underwriting process.

Industry acceptance of these innovative approaches continues to grow, evidenced by increased hit ratios on DUAL Fine Art CAT accounts. As climate-related risks continue to rise, the insurance industry must develop flexible, forward-thinking strategies to provide protection where it's needed most.

The DUAL Fine Art & Collectibles program offers specialty fine art coverage and niche fine art claims services to brokers needing additional specialty insurance for valuable collections.

For more information about our program or to get appointed with DUAL, contact us at www.dualinsurance.com/contact or reach out to:

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