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Transcript

Live Webinar | Expert Industry Panel

# Fine Art & Collectibles Insurance: Q&A for Brokers



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**Host - Ritchie Vener**

Chief Growth Officer

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FINE ART & COLLECTIBLES

Ritchie Vener:

Hello everybody, and thank you for joining us for our webinar “Fine Art and Collectibles Insurance Q&A for Brokers.” My name is Ritchie Vener, and I'm the Chief Growth Officer here at Distinguished Programs. I'm very excited to be leading the discussion today with members of our Fine Art and Collectibles program. We pride ourselves on having the experience, flexibility, and depth of expertise to help brokers win business, and this team really exemplifies that.

Just so everyone knows, we'll send all registrants a copy of the slides, the webinar recording, and a PDF with all the questions and answers from today's session. If anyone has a question during the presentation, please use the Q&A button on the bottom of your screen. We'll do our best to get to them at the end, but a number of people sent in questions ahead of time, so we've already got a fairly packed agenda. But if we don't answer your question during the call, as I mentioned earlier, we'll still include the answers to the material we send out after the session.

In addition to Fine Art and Collectibles, Distinguished Programs is a leading national insurance program manager providing specialized insurance programs for real estate, community associations, executive lines, inland marine, hotels, restaurants, surety, and environmental construction professionals. Our Fine Art and Collectibles program offers tailored coverage for personal, corporate, and museum collections. During this 45-minute session, you'll hear directly from our underwriters on how Distinguished can help you win business and deliver superior service to your clients. Are you ready to expand your market with Distinguished?

Let's get started. Our two experts joining us today are Alison Sweeney and Ashley Mehyo. Alison is our Fine Art Expert and Underwriter working out of our New York office. Prior to her years as an underwriter, Alison spent seven years as an insurance broker specializing in the fine arts. Alison draws on her earlier experience working in museums and appraisals in her role as a fine art expert, reviewing client schedules, assisting insurers with complex collections, and attending industry and event fairs. Alison holds a bachelor's and a master's degree in art history.

Ashley Mehyo is our Vice President of Claims with seven years of experience doing everything from selling insurance, surveying risks, and adjusting over 3,000 claims specifically focused on the fine art and collectibles market. She holds a bachelor's degree in mathematics from Ramapo College in New Jersey and is a native of the Greater New York area. She's passionate about delivering world-class claim service and being an expert resource for our clients and brokers.

All right, so let's jump right in. Alison, I'm going to give you the first question. Can you tell us about the Fine Art and Collectibles program's appetite? Who are your clients?

Alison Sweeney: Our most common client is a private collector. These are people with personal collections typically kept in their home or in storage. For our clients, it's typically the type of collection that's a little bit more specialized or complex than what you would see on a homeowner's policy. But we also love to work on museums, which extends to a variety of different institutions. This includes universities, libraries, municipalities, and state collections. And then it can also include traveling exhibitions, which might be commercial entities or be related to a museum collection.

We also work with dealers and art galleries, including art advisors, artists, and commercial artists currently working and selling artworks either directly to clients or through art galleries, but also artists' estates and foundations, corporate collections, which might be property kept in a corporate headquarters in an office and property kept in a trust or in an LLC. And then finally, entities like auction houses, restorers, framers, companies like that.

Ritchie Vener: Okay. When you say collections, that's a broad term. Maybe I'll ask Ashley. What type of collections do we insure?

Ashley Mehyo: We have a pretty extensive list of types of collections that we insure. First and foremost, fine art. That's pretty vague. What does that mean? It can be sports memorabilia, entertainment memorabilia, wine and spirits, antiques, antique furniture, stamps, covers, broadsides, anything of philatelic nature, comics, books, manuscripts, coins, even spurs, glass, and pottery.

Ritchie Vener: Wow, that's a lot of stuff. I'll turn the question around. Ashley, what won't our program insure?

Ashley Mehyo: There are a couple of things that we won't insure, such as standalone jewelry. However, we do have a jewelry endorsement that you can add to a personal collection.

Automobile liability we won't cover. However, if you do have a collection of, let's say, antique cars, and they're mostly sitting in a garage or in a museum, something like that. Maybe not the car that you're driving to, the Hamptons this weekend with your golden retriever in the back, but things that typically don't contain actual gasoline.

NFTs and digital assets, and there is a little bit of buzz around what a digital asset actually means. I just want to specify whatever digital products or components you need to use to display a piece of art is covered. Digital assets frankly means the cyber aspect of it is what we won't cover.

Ritchie Vener: Thank you. Alison, what's the program's capacity, and how does this allow us to be flexible with client needs?

Alison Sweeney: We're really excited that we are currently up to \$100 million in capacity. We find that really meets most of the needs for our insurers and for our brokers, and typically, we're deploying that on a primary basis, meaning that we're from dollar one absorbing the vast majority of that risk. We're also able to work with more complex and larger risks on an excess basis as part of a tower up to that full \$100 million. Occasionally, we are able to also work on a quota share basis with other carriers in the fine arts space.

Ritchie Vener: Okay, great. Ashley, how does aggregation influence our underwriting decisions?

Ashley Mehyo: Luckily and proudly, we currently don't have any aggregation issues anywhere, even in states like Florida and California, where they're very common. It will likely be a long while before we even need to address that, 10, 20, 50 years down the line.

Ritchie Vener: That's great. The underwriting team, the whole team that you guys have is very important to our ability to do business. Alison, can you tell us about the expertise that the team brings to Fine Art and Collectibles Insurance?

Alison Sweeney: Absolutely. We have a really amazing team. We're really proud of our expertise in underwriting and in claims. We have pretty diverse backgrounds, but we have a shared experience working in the art space and in the insurance space.

I'll start by introducing Patrick Drummond. He is the leader of our team. Prior to joining Distinguished, he led the Fine Art, Specie, and Bloodstock team at a major carrier for many years. He was also a leader in the jewelers' block underwriting space.

Erika Witler is one of the top fine art underwriters in the country, with over 16 years of experience in fine art and specialty underwriting. Prior to being an underwriter, Erika also worked in specialty brokerage. She is able to draw on both sides of that experience, which I think really makes her a valuable asset to our team and to our brokers.

Nonie Tompkins previously worked at two major carriers in this space. She has a lot of experience working with high-volume brokers and is our resident expert on California risks.

Stacy joined our team most recently, aside from Ashley, and has 10 years of experience working as a major jewelry underwriter. She currently manages all of our Affinity relationships.

You gave a very nice intro and overview of Ashley and me at the beginning of the presentation, but just to reiterate, I have a background in fine art underwriting. Prior to that, I spent seven years as a fine art broker. And then prior to that, worked at two of the major fine art and collectibles appraisal companies based here in New York. And so that gave me a lot of experience and exposure to high net worth claims working with inventories and with schedules. I've been very grateful for all of that experience.

Ashley joined us most recently from a major fine art carrier based here in New York. I'll let you introduce a little bit more of yourself, Ashley.

Ashley Mehyo:

Thank you, Alison. I am coming from another major fine art insurance carrier and I have adjusted over 3,000 claims specific to fine arts and collectibles. If you ever want to chat with me on claims offline, I'm happy to do so. I could talk about claims all day. The great thing about claims is it's different every single day. Any day in the office is just different from the prior one and the next one.

I think the biggest advantage of having our in-house claims department is the collaboration between the underwriters and the claims team. It just provides greater customer service, in my opinion. When we put all of our networks together, that rolodex is pretty vast, including experts such as lawyers, appraisers, and conservators. Whenever a claim does warrant, we are able to pick the best fit for your client.

Ritchie Vener:

That's great because insurance is always the promise, but claims is where the rubber hits the road. And I think it's great that we've got you on board and have so much experience in claims.

Ashley, what is your approach to handling claims for fine art and collectibles?

Ashley Mehyo:

First and foremost, if someone makes the claim within one business day and an adjuster contacts them and takes a statement, then we'll be able to guide the insured on what the next steps are.

Submitting a claim is very easy. You can either submit an email directly to us or pick up the phone and call, and our priority is to treat every single claim with the utmost empathy. I can't count the number of times I've seen art and... I mean, I wouldn't have insured it, but you have to understand it doesn't matter what we think about people's art, it's what they think about it. If it's valuable to them, it's valuable to us, and you really, really just have to be very thoughtful about your responses because I've had people cry on the phone that, "I can't find my stamp collection. This was passed on from generations." I don't care that much about stamps. But again, it doesn't matter. You have to deliver that customer experience for them.

Ritchie Vener: Ashley, fine art collectibles are such diverse and widespread assets that no single firm can have all of them. The people who deal with that kind of stuff in-house, how does the program collaborate with experts like appraisers and restorers during the claims process?

Ashley Mehyo: We will select the best vendor for our client and their situation. One of the major advantages of just working with a fine art insurance company that has in-house claims is, again, going back to that Rolodex. There have been many times where conservators or appraisers are just overwhelmed and they're a little bit backlogged. When we're able to pick up the phone and call them directly, I know they're going to prioritize me and my claimant over their pending list. Again, that's just a huge advantage for us.

Ritchie Vener: That's great. Alison, well, everyone wishes that things were always easy. Sometimes, there are issues. How do we handle complex submissions of those that require quick turnover?

Alison Sweeney: We prioritize service and availability. It's two sides of the same coin. You can't provide good service if you're not available. Our number one message is that we want to always be really easy to work with. We pick up the phone, we respond to emails, and we make sure that we're getting back to our brokers as quickly as possible.

For complex risks, we're able to draw on the diverse experience and expertise of the different people on our team. We use a four-eyes approach, meaning that a minimum of two people are reviewing every complex risk to make sure that it's being considered from every angle. That really helps us provide people with the maximum level of expertise and review needed to provide a good product.

Ritchie Vener: Great, thank you. How about you, Ashley? How do you prioritize the customer experience?

Ashley Mehyo: Obviously, being there, being available, and being flexible are the starting factors. Once you do have a claim, I think it's very common for carriers to close the claim and just move on. For us, it doesn't really stop there. Once there is a claim, let's revert back and see if there's anything that could have been done to prevent it. We do pride ourselves in offering loss prevention consultations. If you're interested in having one, you can reach me offline. Once there is a claim, the service shouldn't stop there.

Ritchie Vener: Alison, let me return to you for a minute. Some of this is really about how different fine art and collectibles assets can be. I mean, how do you tailor your approach to meet the specific needs of Fine Art and Collectibles clients?

Alison Sweeney: We built our policies with these different types of collections and clients in mind. This has enabled us to provide our clients with flexible wording and variable valuations. We're able to draw on that background to understand that each of these clients typically has different needs. We're able to meet those needs by being flexible with our wording.

Ritchie Vener: How about clients that have inventories that are changing all the time? Do you offer blanket coverage for changing inventories?

Alison Sweeney: We do. Museum and dealer programs, in particular, are automatically built with a blanket coverage policy limit because we understand that those inventories change pretty frequently. Particularly in the case of a museum, it can be very difficult to manage such a large collection. But we're also able to offer that for personal collectors. Some collectors like to have a policy that's built on an individual schedule where we have a list of items at a pre-agreed value at the outset, but we're also able to offer those clients the option of having blanket coverage. Then, in the event of a claim, we go back and review any appraisals or documentation that they may have on file, including invoices, with them. We work the claim that way because it can be very difficult to constantly update your insurance carrier every single time you make an acquisition or make a sale.

Ritchie Vener: Okay. Ashley, up to this point, a lot of what we're talking about is great in the program and stuff like that, but it's still a little abstract. Maybe to help our broker audience, can you share some recent success stories or wins in our program?

Ashley Mehyo: Writing storage-only accounts has been a big win for us because many brokers tell us they struggle to find specialty carriers who have capacity to write those storage facilities. Our underwriters work extremely hard to make these large, complex accounts work. This includes tailoring policies, pay schedules, anything to fit their needs. We can really help the broker anticipate needs for future coverage for that client depending on the location and practices, their business operation, and models. We also try to provide the same exact business or service to our small businesses as we do our large. It should be equal service across the board. It doesn't matter if you're bringing us a \$30,000 policy versus a \$3,000 policy. The service should still be consistent throughout. We do have a broker portal coming soon. I can't share too much with you yet, but I'm excited early next quarter to share some more information with you.

Ritchie Vener: Ashley, I know we provide individual service to each client and each broker, but are there any key factors that contribute to those wins or to our wins in general?

Ashley Mehyo: Yes, the key factors are just being flexible and responsive to our clients. We do try to find a way to say yes. We had a submission recently where they sent in a personal collection, and it looked really good. It was within our risk appetite. However, the home did not have an alarm system. Instead of just saying no and closing the chapter on that account, we said, "Hey, we really want to write this, but let's go ahead and get them started with an alarm system. It should only take a couple of days, and once that's in place, we'd be happy to write it."

Ritchie Vener: That's great. Alison, I have the same question for you: What role does your team's expertise play in securing wins like these?

Alison Sweeney: We're able to draw on our market knowledge, our familiarity with many of the clients, and the artists that are coming across our desk. That allows us to be more comfortable with complex and more intricate risks.

Ritchie Vener: Do we have plans on how to build on these recent successes in the future?

Alison Sweeney: Yeah, I think by providing good service, competitive pricing, good policy wording, and being really easy to work with, hopefully, all of that gives our brokers and our insurers a really positive experience and encourages everybody to send us more risks.

Ritchie Vener: Speaking of sending risks, how do people submit business to us, Ashley?

Ashley Mehyo: Pretty straightforward. You can send us an email directly. The email address is [submitFAC@distinguished.com](mailto:submitFAC@distinguished.com). If you need to download a copy of our application, you can easily find that online. Again, we're here to be resources for you if you need help finding it. Or if you have specific questions about the application, we're happy to answer them for you.

Ritchie Vener: Now, let's take some time and dive into some of the questions we've gotten sent in from attendees ahead of time. And then, if we have some time after that, there are some questions submitted through the chat feature, then we'll get to those, too. The first one is whether coverage is available for businesses such as auctioneers and whether you offer consignment coverage on fine arts. Alison, could you let us know?

Alison Sweeney: We absolutely are able to provide coverage for auctioneers and auction houses and for property that's in on consignment. At an auction house, typically, all of that property is on consignment, and that coverage would automatically apply. We're also able to offer coverage for consigned property at dealers where that frequently represents at least a significant chunk of the property that they have for sale.



Ritchie Vener: Another question is do you offer jewelry floater coverage for personal lines?

Ashley Mehyo: Yes, this goes back to a prior slide. We don't write standalone jewelry. However, you can certainly add jewelry to an existing personal collection or antiques. Anything like that that is of a fine art nature, you can certainly add jewelry to that policy.

Ritchie Vener: Another question is, is there a program available for art and antiquities restoration?

Alison Sweeney: We are able to offer that coverage on a case-by-case basis. It is one of the more complex risks that come across our desk because it involves property that's in and being worked on, but we can certainly review it on an individual basis. For any of our brokers that might have accounts like this that come across their desks, certainly send it in and we can take a look.

Ritchie Vener: Do you provide coverage for couture handbags and clothing? Who is the paper used? Anyone other than Lloyds?

Ashley Mehyo: We appreciate anyone who is a collector. If it's just a couple of bags, we're not really interested in that. But for anyone who has an extensive collection of almost any type of art, bags can be considered art, and even shoes can be considered art if you have a big enough collection. Typically, collectors take pride in maintaining their collection and someone who knows how to store it. It's not just "I'm buying a Birkin, and I'm throwing it in the back of my 400 square foot New York City apartment closet." Someone who can appreciate the collection as a whole and takes good care of it, that's what we're interested in.

Ritchie Vener: Another question for the audience. What states are you available in? Do you write in California?

Alison Sweeney: We are currently available for commercial policies in California, but we do expect to have approval for personal collections very soon. Personal collections in California and Massachusetts are the only approvals that we're still waiting on. Everywhere else we can write any of our products.

I just wanted to jump back on one of your earlier questions. Our policies are completely domestic. We are not writing through Lloyds, and the leader on our program is a company called StarStone.

Ritchie Vener: Here's another one from the audience. Is the program only for property coverage? Can you offer general liability coverage?

Alison Sweeney: We do not offer liability coverage. It is just an inland marine property product.

Ritchie Vener: All right, I think that's it. This was a great session. Feel free to reach out directly to Ashley and Alison.

Stay up to date with our latest events by following us on social media. We post about insurance, market insights, and industry news, and you'll learn about our latest free webinars, eBooks, and case studies. Thank you to everyone who joined us for today's webinar and to our panelists, Alison Sweeney and Ashley Mehyo, for sharing their valuable insights. Any last comments from either of you, Alison or Ashley?

Alison Sweeney: We're here to be a resource, so there's no account that's too small or too complicated. There's no question that's wrong, so please feel free to reach out to us anytime with any risk.

Ritchie Vener: We hope everyone found this information useful and now that you're better equipped to navigate the Fine Art and Collectibles Insurance market, we look forward to doing business with you. Remember, our underwriters will be available to answer any follow-up questions you have. Thank you for joining us today and we hope to see you on our next webinar. Bye, everybody.

# Fine Art & Collectibles Insurance

Below are additional attendee questions we could not address during the session.

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**Q: What states are your products available in?**

A: We can write all of our products nationwide, with the exception of California. While we currently offer commercial policies in California, we anticipate approval for personal collections soon. Personal collections in California and Massachusetts are the only approvals that we're still waiting on.

**Q: Do you write in California?**

A: We are currently available for commercial policies in California, but we do expect to have approval for personal collections very soon.

**Q: Is an alarm system required to get insurance for personal collections?**

A: Yes. In some rare instances where clients are unable to install centrally monitored alarms due to association rules in condo or co-op buildings, we can accept 24-hour doorman or alternate equivalent protections in lieu of centrally monitored alarms.

**Q: Is coverage available for auctioneers, and do you offer consignment coverage for fine arts?**

A: We provide coverage for auctioneers, auction houses, and consigned property. This includes items at auction houses, where most property is on consignment, and at dealers, where consigned goods often make up a significant portion of their inventory.

**Q: How do we contact you?**

A: You can submit business to [submitFAC@distinguished.com](mailto:submitFAC@distinguished.com) or reach out to our team members directly. Our contact information is available [on our website](#) under 'Contacts.'

**Q: Is there a program available for art and antiques restoration?**

A: Due to its complexity, we offer this coverage on a case-by-case basis involving property under repair. Brokers with similar accounts are welcome to send them in for review.

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FINE ART & COLLECTIBLES

# Fine Art & Collectibles Insurance

Below are additional attendee questions we could not address during the session.

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**Q: What is your market appetite?**

A: Our primary clients are private collectors with specialized collections that often exceed the scope of a standard homeowner's policy. We also work with a variety of institutions, including museums, universities, libraries, municipalities, state collections, and traveling exhibitions, whether affiliated with museums or commercial entities.

Additionally, we serve dealers, art galleries, art advisors, artists, and corporate collections, including property held in offices, trusts, or LLCs. Our expertise extends to artists' estates and foundations, as well as auction houses, restorers, framers, and other related entities.

**Q: Can you insure one-of-a-kind items? Historical items? Priceless items?**

A: Yes, absolutely! This is exactly what we love to insure. Please feel free to reach out to any of our team members if you have questions about eligibility for specific collection types.

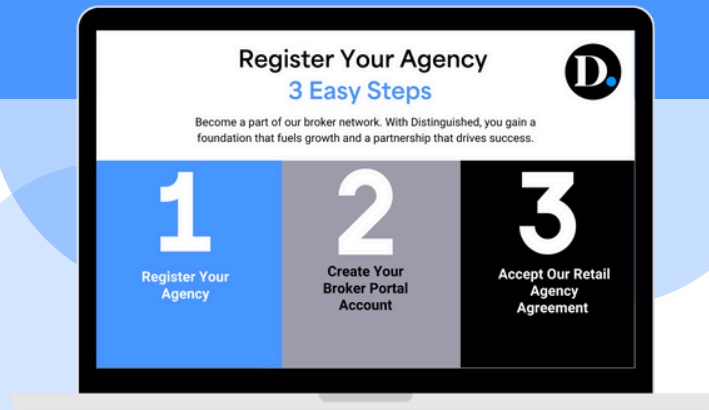
**Q: What is the paper used?**

A: The leader on our program is StarStone.

**Q: Do you offer jewelry floater coverage for personal lines?**

A: We don't write standalone jewelry. However, you can add jewelry to an existing personal collection or antiques.

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