

# Going Private

To minimize risk at your museum, make sure your insurance coverage addresses exposures

By Laura Doyle

An increasing number of individuals around the world have a passion for art and the resources to acquire it, which has given rise to a new era of collecting. This trend is further buoyed by greater access to artwork internationally at fairs and auction houses. And for those collectors with an eye toward investment, some market segments have seen skyrocketing values over the past 20 years.

Some suggest that this may be another golden age of collecting – this time with the public as a primary beneficiary. Why? Because these collectors are increasingly opening private museums in which to display their collections. There are now well over 300 private museums around the world, with more than 200 of them founded since the millennium. They are popping up in cities such as Paris, Moscow, Istanbul, Berlin, Shanghai, Cape Town, Miami, New York, and Los Angeles, to name a few.

And while private museums aren't new – consider the Barnes Foundation in Philadelphia, the Phillips Collection in Washington, D.C., and the Frick Collection in New York City – this more recent trend can be attributed to a variety of factors, including the ability to preserve a collecting legacy by keeping a collection intact, sharing it with the public, and, in some cases, the tax benefits.

Privately owned museums vary greatly in size, public accessibility and mission; these factors will impact property and casualty-related insurance considerations. A museum that only displays artwork from its permanent collection will have different coverage needs than a museum that plans to borrow works from private collectors or other institutions. Likewise, a museum that is only open by appointment to small groups may have different liability needs than a museum with regular operating hours and a large number of visitors. To minimize risk, museums should ensure their insurance coverage addresses these exposures.

**Installation and Protection:** The type of art on display may dictate the construc-

tion and design of the museum. If oversized works will be displayed, walls should be constructed of double plywood to provide reinforcement of anchored hardware for secure installation, and if heavy sculptures are on display, floors may need to be reinforced as well. In order to preserve artwork on site, museum owners should consider installing a fully integrated climate control system that can monitor and control for both temperature and humidity. Museum standards call for temperatures of roughly 70 degrees Fahrenheit, and relative humidity of approximately 50 percent.

Lighting is also an important consideration, as ultraviolet light causes severe and often irreversible damage to artwork, which can significantly impact its value. To protect against such damage, ultraviolet filters or solar shades should be installed on all windows, artwork should be framed with UV protective glazing, and light fixtures should be low voltage.

Museums should consider engaging a conservator who can advise on the long-term preservation of artwork. Conservators can complete regular condition reports, assess artwork's structural stability, and perform treatment based on an evaluation of the aesthetic, historic, and scientific characteristics of the object.

To guard against theft, museums owners should install a comprehensive alarm system, including the ability to monitor not only the exterior and interior spaces, but also each piece of artwork. Cameras, motion sensors, perimeter contact sensors, glass break sensors, and individual asset alarms are components of a comprehensive anti-theft system. Similarly, museums should install a centrally monitored fire detection system which includes smoke detection components throughout the building.

Potential damage due to water leaks also poses a serious concern. Artwork should never be installed below water lines or in close proximity to sprinkler heads. Water

detection systems should be installed to monitor water flow rate within the building and should include an automatic shut-off valve for the main supply. Water leak sensors should also be part of this system.

**Liability:** Regardless of whether a museum is open to the public or limits access to its collections, museums should have sufficient liability protection in place to minimize exposure. In addition to ensuring that artwork is properly installed and not at risk of injuring a visitor, museums should ensure that all passageways and walkways are well-lit with exits that are clearly marked, and that the space is free of obstacles that might create a tripping hazard.

**Moving Art:** The majority of art losses occur in transit. Professional art handlers should be utilized to pack, transport, and install works of art, whether they are on display, in a museum or on loan elsewhere. Experienced art handlers will understand the specifications for installation hardware, and packing or crating materials that will best fit the size, weight, and fragility of each particular item.

While museum owners can take many preventative steps to safeguard their collections, their patrons, and their museum sites, it is important to work with a knowledgeable independent agent or broker to ensure they have sufficient coverage in place. Agents and brokers can connect collectors with an insurance carrier that specializes in fine art collections, and can conduct a thorough review of their museum to ensure that no risks have been left undetected. The proper combination of risk prevention and insurance coverage will ensure that a museum's collection remains protected for decades to come.



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