

CAPITAL INSURANCE AGENCY OF WISCONSIN

ARE YOU CONCERNED WITH COIN COLLECTIONS?

Coins Bear Interest (pun is intended)

The technical term for the study and appreciation of coins, currency, medals and similar property; is called numismatics; but let's use coin collecting instead. Collecting coins is one of our country's oldest hobbies and it is still quite popular. Coin collecting is particularly interesting because it can involve a hobbyist in geography, culture, history, precious metals, economics, monetary laws, politics and customs on either a national or international basis. It also touches upon the arts and sciences as it involves engraving, designing and even metallurgy.

What Coverage Exists Under My Homeowners Insurance?

This hobby has a big impact on insurance coverage, regardless whether the collector is a tenant or a homeowner. Homeowner policies typically provide extremely limited coverage for property which can be used as a medium of exchange. This is especially true of collectible coins and currency which has a special value that, typically, far exceeds its face value.

One homeowners program, which represents an industry-wide standard for homeowners insurance coverage, contains a severe restriction on the limits available for money. In fact, regardless of the insurance limit that appears on the policy, the maximum amount of coverage is limited to less than \$300 for any loss which involves money, including currency and collectible coins.

Why Is Coverage So Limited?

It would be a losing proposition for insurers to offer liberal coverage for coin collections and similar property. Why? Because such property is:

Attractive to thieves

Subject to fraud and counterfeiting

Small in size but very high in value

Very vulnerable to destruction

Standard policies recognize the above attributes and are designed to limit their exposure.

What's A Coin Collector To Do?

In the case of coin collecting, enthusiasts are encouraged to seek special protection for their valuable property. A collector has the option of adding a special endorsement to their basic homeowner protection or buying a separate policy. While arranging for coverage, a coin collector must meet three critical objectives. First, the collector must be able to prove their possession of the property. Second, the

collector must find a reliable method to carefully document the current value of their property. Keeping careful and current records is essential to making sure that a loss is properly covered. A collector should maintain current inventories of their collection. A written inventory is good, but it could be backed up by photos or even video documentation. The collector should also keep independent verification of coin values such as guides and, when warranted, professional appraisals. Finally, the collector must be clear about their coverage:

- * What is the total amount of coverage provided?
- * Is the coverage for each individual piece or a single (blanket) limit for the whole collection?
- * What is the basis of loss settlement (actual cash value, guaranteed amount, replacement cost)?
- * Are there any special storage or notification requirements?

Keeping Your Insurer Informed

This may seem obvious, but it is very important to keep your insurer informed about any changes involving your coin collection. Keep your insurer posted about pieces you no longer own, new pieces you have acquired and any changes in values. If values have changed, make sure that you tell your insurer to adjust your coverage. You can even ask your agent or insurer to keep current copies of collection values and inventories in their files.

Collecting coins is a great recreation and it's worth a collector's time to make sure that their investment in it is properly protected.