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California State University Risk Management Authority

May 27, 2016

Announcement of the CSURMA Fine Arts, Artifacts and Archives Program (FAAAP) ….

We are pleased to announce the launch of the ***Fine Arts, Archives, and Artifacts Program (FAAAP)*** effective July 1, 2016. FAAAP includes the following features and benefits:

- "All risk" including earthquake and flood coverage;
- No deductible; except 10% for earthquake (per item damaged);
- Worldwide coverage;
- Appraisals are not required;
- "Wall to wall", "nail to nail" coverage – while on your property, in transit, out on loan and during return transit.
- $25MM limit; $2.5MM sub-limit for each unscheduled item; $5MM sub-limit for transit (per conveyance);
- No reporting required for incoming and outgoing exhibits.

This coverage is automatic, effective July 1, 2016, and there is nothing you need to do to effect this coverage.

The following pages provide a brief overview of the coverage provided in the FAAAP.

Thank you,

Daniel Howell
Senior Executive Vice President
Alliant Insurance Services, Inc.

P.J. Skarlanic
Assistant Vice President
Alliant Insurance Services, Inc.

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Fine Art, Artifacts and Archives Coverage - Coverage Overview

Insurance Company:	Lloyd's of London
A.M. Best Rating:	A (excellent), XV ($2 Billion or greater)
State Covered Status:	Non-Admitted
Policy/Coverage Term:	July 1, 2016 to June 30, 2017
Premises Insured:	CSU Campuses and Auxiliary Organizations
Perils:	"All Risks" of Physical Damage including Flood, Earthquake Shock, Boiler Explosion and Machinery Breakdown
Interest:	Fine Arts, Artifacts and Archives of whatsoever nature comprising inward and outward loans, but excluding general contents, fixtures and fittings, textbooks and academic materials and the like.
Territorial Scope:	Worldwide
Limit:	$25,000,000 any one occurrence and in the annual aggregate
Sub-Limits:	$2,500,000 – single article limit (for unscheduled items) $5,000,000 – worldwide transit (per conveyance) $5,000,000 – unnamed locations
Deductible:	Nil, Except 10% for earthquake
Reporting Requirements:	**For exhibits owned by you, you must:** Keep and maintain an inventory in which individual details of all exhibits are kept. **For exhibits lent by or to you, you must:** Issue a written loan agreement in respect of each item lent to you or by you and keep a record of all loan agreements issued. The loan agreement shall include the value of the exhibit(s) agreed between you and the lender. **Exhibits not recorded in the above manner are not covered under this insurance.**

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Fine Art, Artifacts and Archives Coverage - Frequently Asked Questions

What is needed to obtain coverage, and do I need to provide CSURMA staff and/or the insurance carrier with a Schedule of Values?	Nothing is required from you to obtain coverage. The CSU Systemwide Office of Risk Management has already approved the binding of this program. CSURMA Staff will transition any Fine Art, Artifacts & Archive related items that you are currently insuring on the Property or Inland Marine policies to the FAAAP. A complete Schedule of Values is not required to obtain coverage through the FAAAP. One of the biggest benefits of moving to a true Fine Arts policy form is the administrative ease of obtaining, and renewing coverage. Unlike Property or Inland Marine underwriters, Fine Art underwriters can work off of a general understanding of the makeup of your collection; types of objects, where they are housed, protections in place, etc. The only exception to this is the Per Item sublimit of $5MM. This requires that all artworks valued over $2.5M must be reported in order to have coverage.
Do I need to report incoming/outgoing loans and exhibitions?	No. Unlike the Property and Inland Marine policies, the FAAAP provides automatic coverage for both your owned artworks out on loan and artworks of others on loan to you where there is a lending agreement in place. You need to keep in mind the limits and sub-limits of the policy to assure there is adequate coverage. Contact CSURMA staff if you think a loan may approach or even exceed the policy limits and additional limits can be purchased on an as needed basis.
Describe the elements of coverage provided through the FAAAP.	Coverage is provided on what's referred to as "Wall to Wall, Nail to Nail". This means coverage is provided during all components typical of Fine Arts, Artifacts & Archives; items while on your property, in transit, out on loan at other location and during return transit.
Are appraisals required?	No. Appraisals are not required to have coverage through the FAAAP. If you have appraisal information on hand that information would be helpful for CSURMA staff to have, but appraisals will not be required.
What will my premium be?	All costs associated with the FAAAP are included within your AORMA Property Program rate for FY 16/17.

In case of a loss or damage to the items insured through the FAAAP, what valuation method will be used?	Market Value. At the time of loss or damage to an insured item, a claims adjuster will be assigned to your claim. The claims adjuster will work with you to determine an appropriate Market Valuation of the item. Amongst many things, the adjuster will consider any recent appraisals, recent comparable sales at auction or otherwise, other unrelated claims to similar artworks, etc. The adjuster will be a specialist in Fine Arts, Artifacts & Archives, rather than one who only has experience adjusting real property and related infrastructure.
Who do I contact to report a claim, and what is the process?	Report all claims to CSURMA claims staff, Martin Fox-Foster or Elaine Kim. Martin or Elaine will report the claim to the insurance carrier and an adjustor will be assigned. As with all other lines of coverage provided by CSURMA, claims staff will be your advocate and stay involved in the matter throughout the life of the claim. Martin Fox-Foster martin.fox-foster@alliant.com 415-403-1417 Elaine Kim ekim@alliant.com 415-403-1458
Who do I contact with additional questions on the FAAAP?	CSURMA staff, Mimi Long or Van Rin. Mimi Long mlong@alliant.com 415-403-1423 Van Rin vrin@alliant.com 415-403-1408