



*Gem Talk*

by Michael S. George

*MSG JEWELLERS*

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## Insurance

In this issue I would like to do a continuation from last month's article dealing with what to do after the appraisal has been completed and approved by you. As important as an appraisal is it has no effect if it is not properly used. By this I mean updating your insurance policy.

Insurance is one of those necessary evils we all hate to pay for, but thank God for when we have a loss. All too often, it has been my experience that, the average person is not familiar with their policy enough to know what is covered, if it is covered for the appropriate amount or how to handle a claim in the event of a loss or damage. Some simple guidelines will make this job much easier.

First, take the time to sit down with your insurance agent and review the current policy to establish the coverage you have and determine whether or not you are adequately insured. Next review also what to do in the event that you have a claim; Find out step by step procedures based upon a theoretical situation that you or your agent can dream up. In this example give several different tangents to assess the quality of the policy as well as the assistance you can expect from your agent. Keep in mind that the agent must be knowledgeable in all these areas and give you competent advise or you could be facing a nightmare in the event of a loss.

Be sure to inquire as to whom can replace the jewelry. Some policies will state that the insured may have to get several bids from jewelers that are recognized by their organization. If this is the case, you may want to request your own personal jeweler to be added to their list or find out how this can be replaced by your jeweler without the hassle of shopping around to their jewelers. It is

important that you remember the insurance company and the jeweler are supposed to be working for you, not vice versa.

It is reasonable to expect to return to the jeweler you are comfortable with and have generated a rapport throughout the years with. This also allows you to have some control in the matter and will give you a sense of security, since you are dealing with a familiar person. The jeweler you use must be familiar with the insurance company's procedures to facilitate this expectation.

There are generally two forms of insurance that are used through homeowner policies. Please be sure to know which of the two you are insured by, because the first has certain restrictions that will apply and a deductible will need to be paid before the insurance company has any liability.

They are as follows:

Blanket coverage: this is a form of insurance coverage that will allow for certain types of loss or damage and it is specified in the policy what is and is not covered. Look this over very carefully to determine if this is the right type of plan for your jewelry. It is my opinion that only small inexpensive items should be placed in this coverage category to facilitate a loss that wipes you out.

There is generally a limit of liability to the insurance company that can range from \$500.00 up to as much as several thousand dollars, however the normal limits are around \$1,500.00 per incident or per item. Only certain perils are covered here and many times the lines are gray and coverage that you think is available is not listed. When in doubt ask.

The second and most desired type of insurance is the "writer" type of policy. This is also call "all risk", because every imaginable concern is covered except for normal wear and tear and abuse. There is an additional premium due for this type of plan and it is an amendment to the policy. The insurance company will require an appraisal that is less than six months old when activating this type of coverage, however they are not required to keep the face value at market value in years to come. This is your responsibility and it is a big factor in receiving proper compensation for damage or loss in future years.

My advise is to mark your calendar in advance to remind yourself that your jewelry is to be inspected, cleaned and appraised value updated to current market value 30 days prior to the payment of your insurance premium. This

will allow you the opportunity to correct any problems and make necessary adjustments to your policy accordingly.

You may be surprised at the cost of this "writer" policy. The cost varies from company to company and the cost to you may vary from \$10.00 per thousand dollars of coverage to as much as \$24.00 per thousand dollars of coverage. Shop around and save.

If you are interested in a plan that is the least expensive plan in the state of Missouri and prompts you to have your jewelry inspected and updated automatically, give me a call at (314) 353-9488. I assure you, you will be glad you did. Also if you have any questions regarding this topic or any jewelry related topic please don't hesitate to call me Mike George at M S G Jewelers, Inc..

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