

Insuring Valuable Items -

State agencies have possession of valuable items for many reasons. Valuable items may include collectibles, historic items and works of art that are owned by the state or on loan to the state. The following information can help create best practices when handling valuable items either owned or on loan to state agencies.

Risks to Agencies

Agency's risks for valuable items owned or those received on loan may include:

- Damage or theft of state owned valuable items.
- Third-party damage or theft of valuable items received on loan.
- Non-compliance with agreement requirements for valuable items on loan.
- Lack of insurance coverage for either owner or items on loan to a state agency (checklist for coverage of items on loan included below).
- Self-Insurance Property Policy Manual exclusions, limits and conditions for payment.
- Higher agency risk charges due to increased claims and claim costs.



Image from oregonstateparks.org

Insurance Coverage

Insurance coverage for valuable items (known as exceptional items within the state's [Property Self-Insurance Policy Manual](#)) are handled differently than other types of real or personal property. Valuable items that are **owned by the state** may be covered by the state's Self-Insurance Fund or a specially acquired commercial insurance policy may be purchased on behalf of a state agency.

When valuable items are **on loan to the state**, they may be covered by the party loaning the item(s), or by the state, depending on the agreement with the party loaning the item(s). If covered by the state, coverage may be available in a similar fashion as with valuable items the state owns; through the Self-Insurance Fund or by specially acquired commercial coverage, purchased on behalf of the state agency receiving the item(s).

While valuable items may be covered by the state's self-insurance policy, specific steps must be taken in order to ensure coverage applies. For example, an item valued over \$10,000 or a collection valued over \$50,000 must be valued in writing by a recognized appraiser. This requirement, along with others, are specifically highlighted in the state's Property Self-Insurance Policy Manual. Failure to meet these requirements could impact coverage.

When valuable items are unique or one-of-a-kind, and if they require an appraisal, it's important that agencies include additional time frames, especially when specially acquired commercial insurance is necessary. It can take more time to acquire these specialized coverages than it does for more common types of insurance policies. For more information regarding valuable/exceptional items, review the state's self-insurance policy, and the checklist below for valuable items on loan.

Receiving, Holding, and Returning Valuable Items On Loan

Prior to accepting valuable items on loan to the state, it's paramount that agencies implement clear procedures for receiving and returning valuable items to the owner. For example, procedures should include documenting the item(s) condition when received and prior to being returned to the owner. A loss control plan should be implemented to mitigate risks such as damage and theft while the item is in the agency's possession in order to avoid a loss and/or claim against the state and state agency. It's also essential to confirm items are properly insured while in the possession of the state agency, and that agency procedures align with insurance requirements.

At a minimum, follow the steps in the DAS Risk Management's [Valuable/Exceptional Items on Loan Checklist](#) when receiving, holding, and returning valuable items on loan.

RiskWise



A Guide to Controlling Risk

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- Risks to Agencies
- Insurance Coverage
- Receiving, Holding, and Returning Valuable Items On Loan



DAS RISK MANAGEMENT

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