

Covering Coin Collections

The official name for the study and appreciation of coins, currency, medals and similar property is called numismatics or coin collecting. Collecting coins is quite popular. It involves geography, culture, history, precious metals, economics, monetary laws, politics and customs. It also touches upon the arts and sciences as it deals with engraving, designing and even metallurgy.

Homeowner (including tenant) policies provide extremely limited coverage for property like money, securities and similar items. This is especially true of collectible coins and currency having a special value that, usually, far exceeds their face amounts.

One standard homeowners program contains a severe restriction on the limits available for money. Specifically, it limits coverage to less than \$300 for any loss which involves money, including currency and collectible coins. Insurers restrict coverage for coin collections and similar property because it is attractive to thieves, subject to fraud and counterfeiting, small in size but very high in value, and very vulnerable to destruction.

Coin collectors invest a lot into their hobby and they should be encouraged to seek special protection. A collector has the option of adding additional protection to their basic homeowner protection or buying a separate policy. While arranging for coverage, a coin collector must meet several critical objectives. First, the collector must be able to prove ownership of the property. Second, the collector must use a reliable method that establishes the property's current value. 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.

One critical area? 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?

It is very important to keep your insurer informed about any additions, removals or other changes involving your coin collection. If values have changed, make sure that you tell your insurer to adjust your coverage.

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