



The Conservator's Choice Program

The Conservator's Choice Program is more than Professional Liability insurance. It is a specially designed policy for AIC conservators, providing both liability and property coverage. The property coverage section covers property of others (consignments) while in your possession, as well as your professional property and equipment. Coverage is afforded for fire, water, theft etc. The property Coverage also includes transit insurance, up to the limits of the policy, so consignments are covered during shipping.

The Conservator's Choice Professional Liability program offers a range of limit selections for a standard price. If the conservator's needs fall outside of the option packages, a conservator has the option to custom design the policy to reflect limits that suit their specific needs. The conservator can also increase limits mid-term in order to accommodate unusually large projects. The program is expandable and can accommodate Consignment and Professional Liability limits above the \$500,000 option with underwriter approval.

Coverage is designed for the many different conservator business models that fall under the AIC blanket. Small one-person operations and large conservator centers with many employees will find a policy to suit their needs with the Conservator's Choice Program.

The Conservator's Choice Premium and Coverage Chart

	Basic 50,000	100,000 Option	250,000 Option	500,000 Option
Limits				
Consignments	50,000	100,000	250,000	500,000
Transit <i>Included</i>	5,000	25,000	62,500	100,000
Equipment <i>Included</i>	5,000	10,000	15,000	20,000
Professional Liability	50,000	100,000	250,000	500,000
Deductibles				
Property	250	500	1000	2000
Professional Liability	1,000	2,500	3,750	5,000
Premium – Fellows	950	1,500	2,250	3,950
Premium - Professional Associates	1,045	1,650	2,475	4,345
Premium - Associates	1,149.50	1,815	2,722.50	4,779.50

The above premiums do not include applicable state premium taxes, stamping fees and policy fees.



The Conservator's Choice Coverage Overview

Property is insured against All Perils, including misplacement and mysterious disappearance. Please read the policy for specific exclusions.

Consignments are property held in your custody, care or control for the purpose of repairing, restoring retouching or similar process. Consignments include but are not limited to: fine art, drawings, books/paper, manuscripts, sculpture, artifacts, historic remains, antique furniture, glass, jewelry, ceramic and textiles. This covers the consignments for loss due to fire, theft, smoke, water damage, etc. or any loss not excluded in the policy or part of professional liability. Example: an oil painting is damaged when an overhead water pipe drips through the ceiling onto the canvas.

Contents includes your conservation equipment or equipment for which you are legally responsible, i.e.; professional tools, field equipment and professional contents. Microscopes, heat tables, special lighting, cameras, air filters, and professional supplies, on or off the premises are insured under this coverage. Filing cabinets, desks, and general office equipment not specifically used in the restoration process **are not covered**. Higher limits of contents may be purchased. Example: field equipment is stolen from your shop or while you are working on a project off premises.

Documents of any nature that do not belong to you but for which you are legally responsible other than: bearer bonds, share certificates, stamps, (not under restoration) bank or currency notes or any negotiable paper.

Property in Transit is insured anywhere in the world up to the limit of liability as shown on the Declarations Page of your policy. 25% of the consignment limit, up to a maximum of \$100,000 is automatically included in the policy coverage. Higher limits may be purchased.

Professional Liability insures against loss, up to the limits of liability as shown on the declarations page of your policy, arising from the professional conduct of your business due to negligence, errors or omissions. This coverage applies to damage of consignments caused by your work or work of your employees. Example: While working on a painting you accidentally select the wrong cleaning solvent and damage the painting or; while an employee is working on a fragile piece, they accidentally knock the piece over, shattering it beyond repair.

Endorsements: *Terrorism insurance may be purchased.*

Defense Costs coverage pays your legal defense costs or negotiation expenses which may include attorney's fees, travel expenses and expert witness costs, up to the limit of liability for which you are insured. The defense cost limits are included within the Professional Liability limits and are not in addition to those limits.

Disclaimer: *This abbreviated outline of coverage is not intended to express a legal opinion as to the nature of coverage; it is a visual to gain a basic understanding of the Conservator's Choice Program. You must read your policy for specific details of coverage.*



The Conservator's Choice Program F A Q

Q. Who can purchase this insurance?

A. Conservators who are members of the AIC.

Q. Why are you offering the insurance exclusively to AIC members?

A. The AIC has been very influential in promoting best practices through the Guidelines for Practice and Code of Ethics for conservators. The AIC represents conservators whose high level of skill and integrity will result in an excellent risk group.

Q. Is it true that we are too small of an industry to support a risk pool?

A. Although not all 3000 members of the AIC are practicing conservators, there are over 2000 conservators from the various specialty groups who are practicing conservators. Moreover, our underwriter has a risk pool in (Insuring British conservators) that has been built over a 10-year period.

Q. We have not had insurance before, why do we need it now?

A. The value of art has increased significantly over the past 10 years. At the same time the level of expertise required of conservators has expanded. Many clients and public institutions are requiring financial protection from the professionals that work on their art.

Q. Most of us have relied on Hold Harmless Agreements to prevent lawsuits. What does professional liability do for us that the Hold Harmless Agreement cannot do?

A. Having a signed Hold Harmless Agreement does not mean it will hold up in court. These documents do not deter a client who thinks he/she has a good case nor do they stop an attorney from proceeding with a case. A Hold Harmless Agreement is used in "Assumption of Risk" defense, meaning the client was informed of the risk(s) but chose to waive right of indemnification. It does not prevent a suit, nor does it pay defense costs. A Professional Liability Policy will pay defense cost.

Q. Won't a client's homeowner's or fine arts policy cover the piece in case of a loss?

A. Not all policies are the same. You must read each one to know what is, and what is not covered. Most policies exclude losses due to restoration or transit.

Q. What about an unusual loss to a work such as a spilled coffee incident? How are we going to be assessed for damage if a cup of coffee is accidentally spilled on a 10 million dollar painting?

A. This is a good example of why Lloyds and Ventura Insurance Brokerage, Inc are underwriting the Professional Liability. Ventura Insurance Brokerage will underwrite the risk of a conservator working on a \$10 million project and will ask the conservator to agree to follow certain prevention procedure such as no food or drink in work area. If a loss occurs after standards have been met, a loss such as this would be paid based on the insurance contract's terms and conditions and up to the limits of the policy. Most conservators will not have coverage limits as high as \$10M; however, conservators can call RMS to request higher limits when working on projects beyond the scope of their policies. RMS will underwrite each unique risk and increase cover based upon underwriting guidelines.



Q. I am organized as a corporation and was told that being a 'corporation' protects me from being sued.

A. A corporate structure may help you protect your personal assets; however it does not prevent your business or you from being sued.

Q. I have heard that the existence of Professional Liability Coverage has the potential to destroy the profession. We hear about out of control malpractice insurance in other professions that invites nuisance lawsuits and initiates a constant spiral of ever increasing premiums.

A. Malpractice insurance is usually associated with medical malpractice which covers unique perils. There are other industries that have professional liability insurance that have not experienced excessive claims or rate hikes; Personal and Commercial Property Appraisers, Real Estate professionals, Accountants, Bookkeepers, Tax preparers, Attorneys and many other professional groups.

Q. We've been told that having this type of Insurance will eventually become the minimal accepted standard for all private conservators and not having the insurance could legally be considered defacto malpractice. How realistic are these concerns?

A. This is a legal question and it has to be handled by an attorney. You can not rely on our advice for the answer to this question and we suggest you consult an attorney for a legal opinion. In our experience as insurance brokers and risk managers, we have seen that malpractice claims are generally based on performing services for a fee (such as conservation work) and it is not related to decisions outside of those professional services.

Q. I am forming an LLC with several other conservators who work in other specialties. Do we need separate policies?

A. If you are working at the same location and are owners, part owners, or employees of one company, you may all be insured on one policy. If you are renting to, or sharing space with someone who is not your employee or partner, or if you are calling in an outside Conservation expert to consult with and help you work on a specific project; they must purchase their own policy.

Q. Can I purchase just the Professional Liability Policy?

A. Not at this time. The Conservator's Choice policy and the CNA BOP policy are designed to offer seamless coverage without overlap or gaps in coverage.

Q. What is included in the Conservator's Choice Policy?

A. Consignments (fine arts, objects, etc), Professional Equipment (on and off premises), Transit Insurance and Professional Liability. The limits vary depending on the option you select under the Conservator's Choice Program.

Q. How much is this going to cost?

A. The cost depends on the limits you select. A basic policy package starts at approximately \$950. There are four packages available with a range of coverage limit choices. You may purchase higher limits for equipment and transit if needed without jumping to a higher limit package. Please see the Limit Options.

Q. What if I need higher limits professional liability limits for a special project?

A. You can purchase higher limits to meet your specific needs at anytime, subject to underwriter review.

PROPOSAL FORM FOR NORTH AMERICAN CONSERVATORS

Before you begin the process of completing this application, please read the declaration at the end of this form carefully as you are required to sign. Please answer all questions in full and if necessary, you can attach other pages on your letterhead. Also, please enclose any brochures or contracts issued by your business.

SECTION ONE – APPLICANT INFORMATION

Contact’s Name: _____

Position with company: _____

Business Name (If different) _____

Contact Telephone # _____ Cell # _____

Office Telephone # _____ Fax # _____

Email Address _____ Website _____

Would you like to correspond via email? Yes _____ No _____

Mailing Address including Zip: _____

Is this business solely owned or do you have partners? Solely Owned _____ Partners _____

Please list all partners and their contact info:

Partner Telephone No. _____

E-mail Address: _____

Partner Telephone No. _____

E-mail Address: _____

Partner Telephone No. _____

E-mail Address: _____

The Broker of Choice



Page Two Conservator's Choice Application

Please state which category of membership you have in the American Institute for Conservation of Historic and Artistic Works and how long have you been a member of the AIC. (*e.g. *Senior Fellow/Professional Associate*)

Membership	Years	Months

Names of all directors/ partners/principals	Applicable Qualifications	Date Obtained	Number of Years as a director/ partner/principal

(b) If you are sole principal / partner, is this a part time occupation? Yes No

If Yes, give brief details of current full time occupation: _____

(c) How long have you been engaged in conservation/restoration work? _____

(d) Additional info regarding experience, training, special courses of study _____

SECTION TWO: PROPERTY LOCATION AND UNDERWRITING

(a) Do you share your main location? Yes No
 If Yes, with whom and for what purposes? _____

Is your main location in your home or in a separate building? _____

(b) Please specify the following for the main location:

Is the building construction?
(please check appropriate box(es))

Frame Joisted Masonry Masonry Non Combustible Non Combustible Fire Restrictive

What is the age of the building? _____

If the building is over 30 years old please provide date and extent of renovation or upgrades for:

	Extent	Date
Wiring		
Plumbing		
Heating		
Roof		

(c) Other than for work carried out away from your premises, do you occupy any other location for the purpose of the business? Yes No

If Yes, complete an additional location sheet for each.

SECTION 3: PROTECTIONS

- (a) Is a burglar alarm fitted? Yes No
- If Yes, is it?
- Central Station Line Security Police Department Connection
- (ii) Is there a maintenance contract? Yes No
- (iii) Does it protect all areas containing the insured items? Yes No
- (b) State types of locks on all external _____ doors: (e.g. five lever mortise deadlock, etc.)
- (c) State types of locks on all windows _____ and skylights: (e.g. screw or key operated)
- (d) Are there:
- (i) Fire extinguishers? Yes No
- (ii) Fire alarms? Yes No
- (iii) Smoke detectors? Yes No
- (iv) Sprinklers? Yes No
- (e) Are there any other fire or security protections? If Yes please give details:

SECTION 4: BUSINESS ACTIVITIES

(a) Describe the nature of articles you work on _____

Other than restoration/conservation, does your work include?

- (i) Valuations? Yes No
- (ii) Condition reports? Yes No
- (iii) Sales? Yes No
- (iv) Framing? Yes No

Please advise details of any other work you undertake: _____

(b) Do you use any hazardous tools, such as burning and welding equipment or do you engage in any hazardous restoration/conservation work including work at height reasonably requiring the use of ladders or scaffolding? Yes No

If Yes, give details _____

SECTION 5: ENTRUSTMENTS

- a) value of entrustments worked on in the last 12 months
- (b) the maximum value of entrustments held at any one time
- (c) the average value of entrustments held at any one time

Do you issue written conditions for acceptance of entrustments which deny responsibility for insurance coverage unless specifically agreed with the client? Yes No

If Yes, enclose / attach a copy of your standard contract.

SECTION 6: PREVIOUS INSURANCE

Name of previous insurers and carrier (if any) _____

Please advise the expiry date of previous policy _____

Has any Insurer declined to accept, cancelled, refused to continue or agreed to continue only on special terms any insurance for you or any other person to whom this insurance would apply? Yes No

If Yes, give details

Do you have a BOP (Business Owner's Policy)? _____ Yes _____ No

If yes, which insurance company are you insured with? _____

SECTION 7: LOSSES

Have you or any principals, partners and directors sustained any loss or damage during the last five years which would have been covered by this type of insurance had it been in force? Yes No

Have you any outstanding claims or suits against you as a result of alleged professional negligence? Yes No

If Yes to either of the above, for each incident give the approximate date, brief circumstances and amount on the next page

Date	Circumstances	Amount

SECTION 8: OTHER INFORMATION

Have you or any principals, partners or directors ever been convicted of arson or any offence involving dishonesty, e.g. fraud, grand larceny or receiving stolen goods?

Yes

No

If yes, give details _____

Are there any other factors affecting this insurance of which you are aware?

Yes

No

If yes, give details _____

SECTION 9: COVERAGE REQUIRED

Please state the limits required for each of the following items:

SECTION A: PROPERTY

i) Consignments at Insured's main location

\$

ii) Insured's Contents at main location (tools, equipment)

\$

iii) Property (Consignments, tools, field equipment) at any one location other than main location

\$

iv) Property (Consignments, tools, field equipment) in Transit within the policy's territorial limits (USA/Canada/Worldwide)

\$

SECTION B: PROFESSIONAL INDEMNITY

Limit of Professional Indemnity coverage required

\$

ANY PERSONS WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY MATERIAL FACT THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

DECLARATION

I hereby declare that the above statements are true and complete. I make this application with knowledge that any insurance to be issued will be based on the statements contained herein, and such statements shall, in the insurance, be deemed warranties and representatives, as shall the statements contained in any supplementary information supplied in furtherance of this proposal.

Signing this form does not bind the Applicant to complete the insurance, nor does receipt of the Application bind any insurer to accept the same.

Signature of Applicant _____

Date _____