



## Consumer Alert

Nebraska Department of Insurance  
402-471-2201 ~ Toll-free Consumer Hotline 1-877-564-7323  
www.doi.ne.gov

### **Homeowners and Renters Insurance---Is Your Jewelry Covered?**

***Whether something old or something new, protecting your investment with insurance is something to consider***

*It's important to know your options when it comes to insuring fine jewelry against theft, damage, or loss, whether it's a family heirloom, a diamond engagement ring or a new watch. The Department of Insurance offers the following tips for evaluating your insurance options for covering your jewelry.*

#### **Find Out What Coverage You Already Have**

With most homeowners and renter's insurance policies, jewelry is often included as a type of personal property you can insure. However, the coverage might not be enough. Even if your policy allows you to insure jewelry, many policies set a limit on the amount of coverage and might not protect against all incidents. Given the sentimental value of certain jewelry, consumers need to be covered in all situations.

- Homeowners' and renters' insurance policies have a maximum coverage limit for the combined value of all of your jewelry, and this limit might be only a fraction of the value of your item(s).
- Most policies will protect against theft; however, you also might be able to protect against damage or loss.

Review your policy or check with your insurance agent to find out the scope of your current coverage. If it is insufficient, purchase a separate policy for the item or add an endorsement onto your existing policy. You should also talk with your insurance agent or company about how a jewelry loss would affect your existing insurance premium. If it would increase your premium, it might make sense to purchase a separate policy.

#### **Have Your Jewelry Appraised and Documented**

To ensure you have the right amount of coverage, you need to determine the value of your items. In many cases, insurers will require an appraisal as a condition for providing coverage for your jewelry. Some jewelers provide an appraisal with your purchase that you can use for your policy; however, these appraisals can be inflated, so you might want to consider getting an independent appraisal. It is also a good idea to have your jewelry re-appraised periodically to ensure accurate coverage. You should also keep photos of each item and a copy of the appraisal in your home inventory in case you need to file a claim.

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### **Know All the Factors That Affect Your Coverage**

The dollar value of the item has the most influence on your premium and deductible, which is why an accurate appraisal is important. The dollar value is generally the risk factor that insurers use to determine how much to charge for jewelry coverage. However, for very expensive pieces of jewelry, whether you have secure storage for your item and how often the item is worn might also affect your policy. Items that are worn daily, such as wedding and engagement rings, carry more risk due to more exposure to loss or damage. Items worn only on special occasions statistically will have less risk of theft, damage or loss. Although dollar value affects the premium cost the most, your insurer might also take into consideration these other factors. Don't forget to ask if you qualify for discounts if you have a home safe, an alarm system or safety deposit box.

### **Things to Consider When Choosing Your Policy**

- Shop around for the best coverage for your items. Ask about options, such as not having a deductible for jewelry, to help evaluate your choices.
- Double-check to ensure your policy covers theft, loss and damage.
- Find out if the coverage applies worldwide or if it is limited to domestic incidents.

Know the difference between replacement coverage and actual cash value coverage. Replacement coverage replaces the item with a similar piece of jewelry that is equal in value. Actual cash value coverage provides a cash amount equal to the value of your item as agreed upon in your policy.

### **Check Out the Company**

Once you think you know which policy will provide the best coverage for you, check out the insurance company. For help with your research, call the Nebraska Department of Insurance or consult the National Association of Insurance Commissioners' (NAIC) Consumer Information Source (CIS)—a free resource to review the company's financial and claims history at <https://eapps.naic.org/cis/>.

### **Stop. Call. Confirm.**

If you are unsure about the insurance company or agent you are dealing with, STOP before signing any paperwork or writing a check; CALL the Nebraska Department of Insurance, and CONFIRM the company or agent offering insurance is legitimate and licensed in the state.

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