

Proper Coverage for Your Jewelry



Many people overlook the need to properly insure their expensive jewelry, believing that it is automatically covered by their homeowners policy. While homeowners policies do cover jewelry, this insurance usually is subject to a much lower limit than the overall contents coverage. This is called a “sublimit,” and a typical sublimit is \$1,500 for loss by theft of jewelry, watches, and precious and semiprecious stones. If your jewelry is worth more than the sublimit in your homeowners policy, you should consider purchasing specific insurance to cover it. The following is a good process to follow.

- Arrange an appointment with your agent to review your jewelry coverage. Bring as much information about your jewelry portfolio as possible, including any appraisals.
- If you have not had your high-valued jewelry appraised within the last 3 years, consider obtaining an appraisal from a reputable jeweler. Insurance companies often require an appraisal from a graduate of the Gemological Institute of America (GIA) on more expensive jewelry. The Institute’s G.G., G.J., or A.J.P. designations at the end of an individual’s name indicate that the jeweler has achieved a high level of professionalism with an education backed by a respected nonprofit organization.
- Make sure the appraisal has a description of the diamond’s four C’s—(a) carat, (b) cut, (c) clarity, and (d) color. The “carat” refers to the weight of the diamond. The quality of the “cut” of the diamond results from the way light enters the stone and is reflected back. “Cut” is also used to refer to the diamond’s shape, such as round or pear-shaped. The “clarity” refers to the prevalence of minor spots, lines, bubbles, or other natural imperfections within the diamond. The “color” denotes the tint a diamond may possess. Remember that the better the appraisal, the fewer problems you will encounter with the insurer if you ever have to make a claim.
- Purchase inland marine coverage that can be added via an endorsement onto your homeowners policy. This endorsement (also available as a separate policy) provides much broader coverage than the limited protection found on the unendorsed homeowners policy.
- Consider keeping any valuable jewelry you rarely wear in a safety deposit box at your bank.
- Review your jewelry protection with your agent at least every 2 years or whenever you sell or purchase high-value jewelry.