

History, heritage & legacy assets in the spotlight

Expected to fetch between \$2 and \$4m dollars, the jewellery of Marie-Antoinette, who reigned as the French queen in the 1700s, with bracelets consisting of 112 diamonds, is going under the hammer in Geneva on 9 November.



Source: ©delcreations [123rf](#)

Recently an unopened bottle of wine from 1821, originally destined for French Emperor Napoleon Bonaparte, was sold for a record-breaking price of R967,300 at an auction in South Africa.

These sales have fascinated of the world's wealthiest collectors and ordinary citizens alike, bringing high value history, heritage, and legacy assets or collectible alternative asst classes, firmly into the spotlight.

Importance of insurance

However, when investing in unique pieces, collectors should not overlook the importance of insurance.

"Given the huge financial outlay to get ownership of a unique item, insurance is critical for collectors to protect against potentially being out of pocket," says Tarina Vlok, general manager at Elite Risk Acceptances, a high-net-worth insurer and subsidiary of Old Mutual Insure.

"While the sentimental value or uniqueness of the item cannot be replaced in the event of a loss, insurance can put the

collector back in the same financial position prior to when the loss occurred,” she adds.

Protecting history, heritage, and legacy assets

While typical domestic policies are designed to cover a home and what’s inside, there is sometimes limited coverage for valuable possessions – such as jewellery, fine art, wine and spirits, and antiques – that may get lost, stolen, or damaged.

Vlok says there are significant risks that collectors face when purchasing one-of-a-kind pieces, including damage during transit if purchased at auctions, or from events like fire or water, or even theft.

“For example, it sometimes happens that antiquities come into the market illegally or are bought on the black market and sold to an innocent and unknowing collector.

“If the collector has to give it back to the legal owner, a specialist high net worth insurer may compensate the client a portion of the loss,” she says.

Insuring rare items

The first step for collectors is to get the item appraised by a specialist.

“Professional appraisers, who use a wealth of technical data and specialised information to determine the replacement value of rare items or collections, are essential to help investors adequately insure their collections,” she says.

She adds that the value of a rare asset is influenced by various factors, including exchange rates, global trends as well as whether or not the item’s investment class has grown.

It is important that these items are insured on an agreed value basis, where collectors and insurers mutually agree the replacement value before a loss occurs.

This agreed value is then what will form the basis of the compensation in the event of a loss.

“The insurer will try to source the exact item for you, but in the case of an item being irreplaceable, your insurer would compensate you financially for the loss based on the agreed value,” says Vlok.

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