

Homeowner carriers often have restrictions and capacity limitations for jewelry. Many carriers are not willing to write higher-value jewelry. It can be difficult to find a policy that adequately covers jewelry and also offers a competitive price. A stand-alone jewelry policy (personal articles floater—PAF) addresses the jewelry need without impacting the homeowners policy.

Insurance losses related to jewelry are huge — much more than most insurers realize. According to Department of Justice statistics, 70% of all personal property (contents) theft losses are jewelry. Insurance companies process billions of dollars in jewelry losses each year. Some of these jewelry losses are hidden, because they're reported as "contents" losses under a homeowners policy, rather than as jewelry.

So what? Jewelry claims usually fall below the radar of concern for both insurers and agents because the cost of the settlement is comparatively small. But if that jewelry is on an homeowners policy, the impact of the claim can be serious.

Unlike most household contents covered in a homeowners policy, jewelry is small, valuable and very vulnerable. Jewelry is not only stored in the home, it also travels. It's put on and usually forgotten as we go about our business, taken off and left on dresser or sink, regularly exposed to damage and loss. At home or out on the town, jewelry is a magnet for theft and it's particularly prone to "mysterious disappearance."

HO scheduled jewelry losses hit CLUE and PILR underwriting reports, so the loss lives on, seemingly forever. Even if the jewelry is found or the claim is withdrawn, the CLUE and PILR listings remain. Because her ring lost a stone, the client loses her homeowners "claim free" rating.

In addition, homeowner carriers usually have restrictions and capacity limitations for jewelry. Many carriers are not willing to write higher-value jewelry. It can be difficult to find a policy that adequately covers jewelry and also offers the client a competitive price.

A stand-alone jewelry policy (personal articles floater—PAF) addresses the jewelry need without impacting the homeowners policy. In the event of a jewelry loss, the homeowner policy—and the claim-free status—are not affected.