



Consignments

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Key Features in a Typical Art Dealer Policy: Inward Consignments



- Stock cover includes both owned stock and stock consigned in
- Policies usually requires a written consignment note to be issued by consignee (person its consigned to)
- Consignment note should include:
 - Name of consignor and consignee
 - Description and value (not to exceed market value)
 - Terms and conditions of consignment
 - Prohibition of sub consignment without Consignor's OK
- Cover generally same terms and conditions as owned stock

NB Insurer practices vary and policies are often bespoke: check your own policy for your coverage or speak to your broker

Key Features in a Typical Art Dealer Policy: Outward Consignments



- Cover under policy ‘outside limit,’ if applicable
 - Look out for restrictions/ exclusions eg territory
- Consignment Note requirement, as with inward consignments
- Fidelity exclusion, excluding dishonesty by Dealer and his staff will usually extend to consignee and his staff
- Insurance (and for inward consignments) limited to PHYSICAL loss and damage
 - Does NOT cover credit or title risk

See your policy for terms applicable to you

Some Key Risk Factors

- When consigning out, you are losing direct control of where the stock goes and how it is protected
 - Know your consignee
 - Reputation, Creditworthiness, Legitimacy
 - Ensure clear consignment terms and conditions
 - Check consignee's insurance for exclusions and limitations
 - Are you comfortable with insured and uninsured risk?
- When consigning in, you are assuming responsibility
 - Ensure terms and conditions you are comfortable with
 - Are you OK with the value? Is it above market value?
 - Are you satisfied with provenance and legitimacy
 - Is it a sub consignment?
- Consignments are not just Dealer/ Dealer
 - Artists, Shippers, Auctioneers, Restorers, Museums etc.

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