

Re: What kind of insurance

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- *From:* "Peter W.. Rowe," <rec.crafts.jewelry@xxxxxxxxxxxxx>
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On Sat, 09 Jul 2005 20:38:18 -0700, in h õ chicken@xxxxxxxxxxx wrote:

>>I do jewelry work part time, work at home, and need to get some type of
>>insurance or bond to cover specific jewelry related liability, like lost or
>>broken stones, etc, etc, especially if the stone is one that the customer
>>says that belonged to Aunt Betty that was given to her by Uncle Tom before
>>he went to war in Germany in WW-I, etc, etc. Or perhaps - "That's not the
>>stone we gave you when you picked up the jewelry for repair". I've heard of
>>nightmare jewelry stories related to this.

>>

>>Can anyone recommend some insurance types and sources? I'm totally green
>>with this sort of thing related to jewelry.

While a number of insurance companies offer standard policies to jewelers, usually called jeweler's block insurance policies, you generally need more than a home business in the basement. Generally, these cover things like loss from burglary by theft, fire, and the other such "usuals". Coverage in any decent amount, especially if you have any inventory of precious metals, gems, or the like, may require you to get commercial grade alarm monitoring, as well as, if inventory is involved (including customer's property), a rather properly rated safe. This stuff gets costly.

The specific instances you cite are actually hard to insure. Broken stones are rarely covered by insurance, since that's often a question of competence or malpractice. Insuring you against your own possible errors, especially if you're a beginner or starting out, as the company may assume with your level of business, is going to be difficult to do. Same thing with customer claims. Even when a store has insurance against breakage, most such events are not claimed against the insurance, in order to avoid raising already high rates. In short, many stores self insure against such losses, filing claims only when they can show the loss was due to actions of a third party, such as a break in. Most of the people I know who work as independent stone setters are generally doing work for other stores, and often work under the understanding that they are not insured, or will self insure up to a certain amount, and after that amount, any loss will be covered by the store for whom they are doing the work. And you protect against claims from customers not with insurance, but by very careful procedures during take in of the goods. You very carefully inspect goods in the presence of the customer, measuring the stones, making a plot diagram of major inclusions or damage, and be sure the customer agrees to this description. Do this, and you'll

Re: What kind of insurance

not generally have a problem. It can help to be sure you've cleaned gems while the customer is still there, so the description is done after the stone is properly cleaned.

With that said, I'll note that this relates to standard jewelers block policies, the most common. In recent years, there HAVE been a few companies that offer policies aimed more at the craftsman level, usually designed for artists who produce their own jewelry in their own studio, such as the folks who then show at art fairs or consign through galleries. These policies may offer some additional coverage of the type you're looking for, but I'm afraid I don't have a company name for you to call. Even with these policies, I'm going to guess that you'll find coverage for stones you break during setting, or unhappy customers accusing you of fraud, difficult indeed to find. Theft from your premises, yes. Loss from a gallery loosing your work, or in transit, yes. Loss due to flood or fire, sure.

But what you're asking for is basically malpractice insurance, and THAT, I've not seen offered, especially not to small craftspeople. Most who I know who do this sort of work basically make sure the stores or clients they work for understand that they retain liability for things they've asked to be worked on, generally using the argument that they can afford to cover the risks a lot better than the individual artists can. Most setters I know do much the same thing, just as they would if they were employees. Usually they'll just routinely replace small less expensive diamonds or gems if they break one, simply considering it a cost of doing business, but if something really big is damaged, then if things are set up correctly, the loss is shared between craftspeople and store, with more of the loss being born by the store. But you HAVE to be sure this is set up this way before you do the work, preferably with a written contract, and that the clients you work for fully understand the limits of your liability. The other caution I'd mention if your taking in customer's stones for setting or repair, or the like, is that you MUST know your limitations. If you are not 100 percent sure that you can do a job without damage to the stones, then either do not take in the job at all, or be sure that the customer fully understands your reservations, and specifically agrees to hold you harmless, that the job will be done totally at their risk. Don't be a cowboy and try to project an image of being able to do it all if your skills and confidence are not totally consistent with that image.

HTH

Peter Rowe

• **References:**

◆ **[What kind of insurance](#)**

◇ From: chicken

- Prev by Date: **[What kind of insurance](#)**
- Next by Date: **[Re: best white gold?](#)**
- Previous by thread: **[What kind of insurance](#)**
- Next by thread: **[Re: What kind of insurance](#)**

Re: What kind of insurance

- Index(es):
 - ◆ *Date*
 - ◆ *Thread*