

Property Casualty 360

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Best of "Contents Claims Solved"

Cases of High-Priced Jewels, Fine Art and Forgeries

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DONALD JUDD STATUES ROUTINELY BRING NORTH OF A MILLION DOLLARS IN TODAY'S MARKET.

I clearly remember the day I learned I would be writing the *Contents Claims Solved* column for Property Casualty 360. That evening, during my drive home from the office, I received a call from my daughter, who is away at college. After catching up on her course work and roommate situation, I mentioned the articles I had committed to write earlier that day. As soon as I explained the educational pieces would highlight “interesting insurance claims,” I swear I could actually *feel* her eyes glazing over, right through the phone. It was prudent to immediately change the subject for fear of causing her permanent harm.

Now I am afraid to tell her the magazine is publishing a “best of” retrospective of my “interesting claims” articles. At a minimum, the mere thought of an assemblage of “interesting claims” articles, could surely cause my daughter to lapse into a coma.

My daughter, along with many others, may think the phrase “interesting claims” is an oxymoron. Contrary to their preconceived notions, claims professionals know “interesting” and “claims” are not mutually exclusive. Not only have I been blessed with a career handling interesting claims, but I have also been given the opportunity to share these fascinating claims situations here at *Claims Magazine*. I hope you enjoy reading the articles as much as I enjoy writing them. Here, you’ll find a sampling of some of the most compelling cases.

THE CASE OF THE JUDD STATUE

The Situation

An adjuster called on contents claims experts to consult on the appraisal, conservation, and diminution of value of a Donald Judd statue that fell from its wall mount and was dented when it struck the floor. Judd statues are geometric in shape, many resembling boxes of various sizes and proportions. The statue may be a singular form or multiple forms installed as a group. The statues were often constructed of either stainless steel or aluminum stock, and unpainted.

Judd’s artistry was in the design of his statues. Much like an architect designing a building, Judd designed his statues, but they were not made by his hand. They were crafted to his specifications by others, built to meticulous specifications in industrial fabrication shops.

Donald Judd statues routinely bring north of a million dollars in today’s market. What effect would this dent have on the statue’s value?

Case Background

After an initial inspection, the contents specialists concluded the nature of the dent could be greatly improved by a highly skilled conservator; however, we also determined that it would be unlikely for all evidence of the dent to be reversed. To the contrary, given the importance the art market places on the meticulous construction and attention to detail which is the hallmark of Judd’s statues, we fully anticipated some diminution of value, which could only be fully evaluated post conservation. To be of assistance to the owner, contents experts identified the conservator the Judd Foundation has the most faith in to

make such repairs.

The owner ignored these recommendations and chose to work with a different conservator. Upon notification that the conservation work was completed, the contents team scheduled a re-inspection. As the statue was viewed hanging on the wall, initial impressions were excellent. Closely examining the area of the dent, experts found absolutely no remaining evidence of the dent, as well as no evidence of the metal work by the conservator. The contents team was stunned by what appeared to be a perfect restoration of the artwork.

Turning their attention away from the apparent success of the dent repair, contents specialists removed the statue from the wall and examined the statue in its entirety. The outward appearance and dimensions was spot on, however while examining the substructure, the contents team began to realize something was wrong. The team had created an exhaustive image study of the statue during its initial inspection, not only the publicly viewed outward facing surfaces, but also the never viewed internal substructure of the statue. While performing the re-inspection of the substructure of the statue, very tiny but discernible inconsistencies with the original images began to emerge; the shape, number and exact placement of spot welds, tiny variations in the end cuts of the stainless steel, the location of a drill hole, and so on were not exactly as originally constructed.

What had not been disclosed, but what the inspection revealed was that the contents team was not examining an incredibly successful conservation of the authentic Judd. They were in fact inspecting nothing more than a well-executed replica of the original statue, being represented as the authentic Judd. If it had not been for the contents teams' painstaking attention to detail, noticing the fabricator's failure to replicate original construction details, the true nature of this statue still might only be known to those perpetuating the charade.

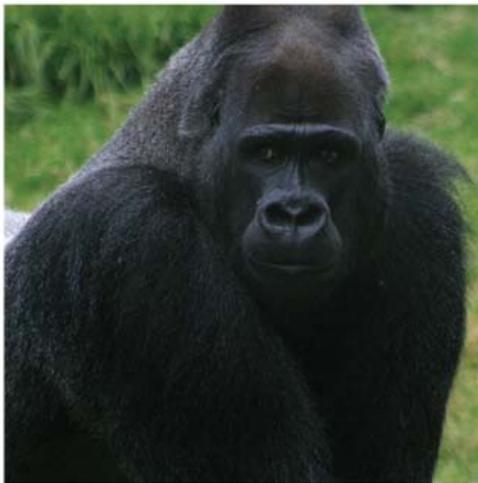
The Result

Some might say that Judd never personally fabricated the statue in the first place, and if this new construction was faithful to his original design, what is the harm? There would be no harm if Donald Judd were alive, had been consulted and approved the plan to replace the damaged statue in advance, oversaw the construction of the replacement statue, the destruction of the damaged statue being replaced, as well as inspecting and endorsing the final product as "his art." All of which would be documented in the provenance of the statue. Unfortunately, none of that is what happened here.

Does this statue have a million-dollar-plus value as a Judd? Absolutely not. Although, I shudder to think what it could have sold for if its true origins had not been exposed. If the owner represents the statue truthfully, and it is sold as a well-executed replica of an authentic Judd, then it has some decorative value, but only a tiny fraction of an authentic Judd. If the owner attempts to sell this object as authentic, then this now-revealed fake has a value of zero dollars.

THE CASE OF THE STOLEN GUERILLA MOUNT

In this particular case, the species of claim appeared to be highly unusual and potentially extremely valuable as a rare and exotic object.



Contents claims experts were put on the case for a valuation of a "Silverback Full Body-Sized Gorilla Mount, 7 feet in height" that had been stolen. When dealing with requests involving exotic animals, one of the first steps taken by contents experts is to determine the implications of laws governing "endangered species." Such laws not only restrict the "taking" of these animals, but also establish strict restrictions and conditions upon the sale of or any product involving these animals.

Case Background

The family of Gorillas falls into one of two specific species: the Eastern or "Mountain Gorilla," and the Western Lowland Gorilla. The Lowland Gorilla is an endangered species, while its cousin, the Mountain Gorilla is extremely endangered. To be legal to sell, the mount would have to have documented importation prior to a specific date, making authentic salable gorilla mounts very rare and thus very valuable.

To have a highly defensible opinion, the contents claims team had to determine exactly which species was involved, as well as the date and circumstances of importation. Contact with the owner found the mount had been passed down to him from his grandparents; however, "when" and "by whom" the animal was taken was unknown.

The contents team requested a photograph of the gorilla mount, which the owner sent to aid in the verification process. The body build of the two types of gorillas differ, and experts would be able to certainly solve the species puzzle with the image. However, the team still lacked documentation as to the legal status and salability of the mount which would be needed to proceed with the valuation.

In reviewing the image, contents experts determined that the features of the mount were not consistent with those of an actual gorilla and actually looked like a costume gorilla suit mounted on a form. If the gorilla was real, the body would have been broader and thicker, and its head would be more oval-shaped with a prominent sagittal bony crest on the forehead.

The Result

In the end, the contents claims team concluded that it was not a real animal at all. In fact, it was nothing more than a prop. Life-sized gorilla props retail for about \$6,900. If this had been an authentic, legal salable gorilla mount, dependent on species and condition, it could have had a value of \$25,000 to \$45,000 or more.

THE CASE OF THE BEVERLY HILLS DIAMOND

When fame, high-priced lawyers and even higher priced jewels are involved, expect drama. This case involving a world-famous music group shows that close collaboration between the claims adjuster and contents specialist will ensure a fair settlement is reached and the real story is told.

The wife of one of the band members claimed that a highly valuable ring—a gift from her husband—had been lost or stolen from a hotel room where they

were staying while on vacation.

The ring was a hand-designed piece with a 6.00 carat plus fancy yellow diamond set in the center. The original estimate to replace the ring given by the Beverly Hills, Calif. jeweler where the ring was purchased was for \$145,000.

The Background

The first step in this case was to obtain a copy of the original laboratory diamond grading report and carefully compare it to the provided estimate. The contents claims expert on the job had previously worked for a very high end jeweler, specializing in grading yellow diamonds specifically. Consequently, he was able to provide a technical edge and determined that the insured's original stone was of poor quality for reasons the jeweler had overlooked.



The expert determined that the ring could be replaced for \$111,000 based on similar stones available in the market at that time, but the jeweler did not agree. As luck would have it, this was around the time of the largest jewelry show in the world, which takes place annually in Las Vegas, Nevada.

The Result

The contents specialist went to the show and priced yellow diamonds. It was then decided that based on these new stones in the market, the ring could be replaced for \$107,000. The jeweler was not happy with this lower estimate. However, he eventually conceded at the urging of the insured and revised his \$145,000 estimate to \$107,000.

A fair and accurate settlement for this case was reached due to the diligence and persistence of the contents claims specialist and claims adjuster. Without domain expertise in fine jewelry and the drive to go the extra mile to find like, kind and quality replacement stones, this case may not have worked out as smoothly for the insured or the insurance carrier.

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