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A note from the author:

I am a musician and much of this article stems from my personal frustrations around insuring my instruments.

This article applies to all sorts of bespoke equipment and other valuables sought to be insured by all manner of people.

INSURING THE ARTS

“A musician is someone who loads R90 000 worth of equipment into a R20 000 car, to drive 150km to play a gig paying R600.” This quote of unknown origin is true of many musicians, not only within South Africa, but around the world. Sadly, it should also include the line “...with absolutely no insurance.” Although many musicians would place their instruments and equipment far above their spouse and children when asked for a list of priorities, and would run into a burning building to save their beloved pieces, they often do not have the necessary insurance in place to replace the items they hold dear should the unthinkable happen. Unfortunately, the unthinkable happens more often than we would like. Parking your car in a less-than-secure parking lot of the pub you are playing at for the night often makes you a prime target. Auditoriums that house our local orchestras are located in city centres and are not always well guarded, especially at night. While instruments and musical equipment are unlikely to be the targets themselves, they are the unfortunate collateral damage of car thefts and break-ins. Often the high value of the pieces is not even known to the thief – items are stripped down and sold for scrap, losing the majority of the value in the

process. This is especially true of lesser known instruments – clarinets, cellos or flutes. Instruments found after being dumped by criminals may be too damaged to be of any use in the future. Many instruments are also damaged in car accidents. Even the smallest bumper bashing may damage items that are being transported in the boot of a car. All in all, insurance for musical instruments and equipment is a largely overlooked by musicians and insurers.

For some musicians, the thought of insuring their instruments and equipment has never crossed their minds. Musicians are stereotypically not known for their financial planning and administrative prowess (we mean no offence to our readers who are musicians.) My favourite response while discussing this topic with a bagpiper: “Insurance? For what? Who would want to steal bagpipes? Most people don’t like them even when they are played by someone who knows how.” Although true, it is not likely to stop a thief, especially if they happen to be in a car that has become the latest target.

For those who have at least considered insurance, the cost of insuring is often much higher than anticipated. As instruments are likely to leave the house to be played at various locations, insuring these under household contents results in a nasty shock when the claim is repudiated on the basis that the instrument was not stolen while in the house.

Obtaining a quote or insurance cover is also tricky. Instruments are generally not loaded onto insurance companies' underwriting systems, making it difficult to receive a quote quickly, or being able to properly compare quotes between insurers.

Loading various instruments onto your insurance policy can be cumbersome, especially when dealing with a call centre agent or broker who does not fully understand what exactly you are trying to insure. Is there really a difference between a clarinet and an oboe? Each instrument has to be separately disclosed to the insurance company, along with full descriptions and serial numbers. In the case of instruments of high value, and those not recently purchased, a valuation has to be obtained before the instrument can be insured. Valuations may be difficult to obtain, especially if the instrument is unique in nature.

The instrument itself is only a portion of the total set up that requires insurance cover – pedals, cables, bows, tuners, amplifiers and many other additional items contribute significantly to the overall cost for an individual. A guitarist may spend more on the pedal board and amp than on the guitar itself, although the focus of an insurance quote would be on the guitar. Some policies also include a threshold for specified items that can be insured after being removed from the house, either individually or in aggregate. This is a problematic area for musicians who have a tendency to buy more guitars and amps than necessary, and who more than exceed this threshold. The cost of transportation and insurance for those who

regularly play in different cities within South Africa has become so high that many musicians own multiple instruments that are then housed in each city.

As a result of the above, musicians who have contemplated obtaining insurance cover do not ultimately follow through as necessary, simply because of the administrative nightmare or the cost of the exercise. They believe the cost outweighs the benefits, given the perceived smaller risk to the instruments and equipment.

For the few who have taken out insurance, it is sometimes difficult to determine when a claim has arisen. Damage to instruments may arise as a result of a specific incident; as part of normal wear and tear; or as a result of a manufacturer's default. Insurance contracts are often not completely understood, or forgotten in entirety when a loss arises, resulting in no claims being recognised where there potentially should be a pay-out. Insurance policies are also not updated regularly and new valuations are not obtained when the value of the instrument has changed. Replacement values for both instruments and equipment are sensitive to exchange rate fluctuations, as the majority of these items are imported.

Given the emergence of many new insurance products and technologies over the past years, the overall poor insurance coverage is hopefully something that will change going forward. The ability to “switch on” your insurance as needed for items such as sports equipment is potentially something that could be rolled out to cover musical instruments and equipment. Differentiating the risk between when instruments are in the safety of one's house, versus when the instrument has been removed from the house to be played at an external venue would likely have a significant impact on premiums. It may also help musicians to accurately price the cost of insurance into their own charge out rates.