

THE LENDER AGREEMENT CHECKLIST



6 CRUCIAL STEPS FOR LENDING AND BORROWING ARTWORK

Lending and borrowing artwork enables museums to develop and curate more dynamic exhibits and reach a broader audience. While the benefit of these exchanges is profound, one of the biggest mistakes an institution can make is not preparing a comprehensive lender agreement.

A lender agreement is your contract, naming the lender and the borrower and specifying the details of the loan. The agreement outlines the name and description of the pieces, the dates the artwork is on loan, the location of the borrower, and the specific exhibit. Every loan, no matter the total values or number of objects, needs to have an agreement in place.

Without a proper lender agreement, you could find yourself liable for a broad range of unforeseen outcomes. That's why this crucial document must be comprehensive and watertight.

HERE ARE 6 THINGS TO CONSIDER WHEN CREATING A LENDER AGREEMENT:



1 AGREED VALUE

Make sure you have specified an Agreed Value for each artwork. Recent appraisals are the "A" deal, but not always available or practical. Having an Agreed Value in writing prior to any loss is paramount.



2 DISPLAY REQUIREMENTS

Some works require specific care while on display. Make sure those requirements are clearly detailed.



3 INSURANCE COVERAGE

Decide who is buying the insurance, and what coverage features will be required on the policy.



4 PACKING AND SHIPPING

Shipping damage is not uncommon. Make sure your outline any specific packing and transportation requirements. And watch out for shipping company insurance policies. Many company-offered policies specifically exclude artwork in the fine print.



5 LONG-TERM LOANS

Regularly update your long-term loan agreements, and adjust your insurance accordingly. Insurance claims may be limited to the values on the agreement, so keep them current.



6 EVERYTHING ELSE

The lender agreement is also the place for the borrower and the lender to make specific requests, including how the piece is named and advertised, and even where it is displayed.

ABOUT THE MUSEUM AND FINE ARTS INSURANCE PROGRAM

The Museum and Fine Arts Insurance Program of Alliant combines an artful blend of industry specialization and depth of relationships to guard against a wide range of risks new and old. Our diverse array of museum clients trust us to craft customized insurance and risk management solutions for their assets and to use our inside knowledge and connections to drive down costs and broaden coverage.

ABOUT ALLIANT

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