

MUSEUM RISK RUNDOWN

THE COMMON, THE UNCOMMON, AND THE WAY FORWARD

According to the American Alliance of Museums, there are more than 850 million visits to American museums each year. That's more than the annual attendance of all major sporting events and theme parks combined. Museums are also a major economic force, directly contributing more than \$20 billion to the national economy and employing approximately 400,000 people.

Despite these figures, the extensive risks and exposures facing museums is often overlooked. With so much at stake, protecting your patrons, staff, and physical assets is priority #1, and this essential process begins and ends with awareness. Let's take a look at the wide-ranging risks facing your museum, and how you can best take action against these common and uncommon scenarios.

SLIPS AND FALLS



SCENARIO:

The first guest of the day arrives just as it begins to rain and you don't have time to get out the extra floor mats you use for inclement weather. Just as she is starting up the hallway toward the exhibits, she slips and falls.

TAKE ACTION:

Having the right general liability coverage is essential to ensuring your museum is not on the hook for medical bills and any potential litigation stemming from trips and falls, which can (and do) happen every day.

EMPLOYEE INJURY



SCENARIO:

For your patrons, the museum can be a quiet, relaxing experience. For your staff, it can be physically demanding. And physical jobs are prone to injury (strained back, sprained knee, repetitive stress injuries, etc.).

TAKE ACTION:

Workers' compensation insurance covers the cost of medical bills, rehab, and missed work for employees who sustain injuries or illnesses on the job, but all policies are different, and many have gaps. Regular reviews of your policy are key.

ACCIDENTAL DAMAGE



SCENARIO:

A child visiting your museum trips during a tour, uses his hand to steady himself, and inadvertently punctures the canvas of a painting.

TAKE ACTION:

Your insurance policy must be sufficient to cover anything within its walls, whether it's a permanent exhibit or a temporary display on loan.

FIRE OR WATER DAMAGE



SCENARIO:

Late at night, an electrical fire starts in the building adjacent to your museum. While the fire is contained to the other building, your property sustains both water and smoke damage.

TAKE ACTION:

Make sure your coverage includes the original value or the current value of the destroyed property and cleanup and business interruption costs.

TERRORISM



SCENARIO:

Terrorists strike an adjacent facility with an explosive device, causing considerable damage to a number of buildings in the area. Despite not being the target of the attack, your building and several exhibits sustain damage.

TAKE ACTION:

The insurance that covers an exhibit for routine damage may not cover that same exhibit in the event of terrorist action, even if your museum is not the target. Work with your insurance carrier to clearly define the risks and identify the necessary coverage.

ACTIVE ASSAILANT



SCENARIO:

A disgruntled former employee is on-site and threatening patrons and staff with a handgun. He has not harmed anyone, but he has caused a great deal of commotion, upsetting patrons and causing extensive distress.

TAKE ACTION:

Active assailant insurance covers property damage, business interruption, and counseling/support services following an incident. Even if there is no physical damage or injuries, this coverage is a necessary piece of your response to the event.

CONSTRUCTION, REPAIR AND RENOVATION



SCENARIO:

When breaking ground on a new wing, the excavation causes cracks in the foundation and walls, damages an installed stained-glass window, and causes minor basement flooding.

TAKE ACTION:

Make sure that your property is secure—structures, equipment, inventory, furniture, fixtures, and fittings—by selecting coverage that protects you against all the risks you face during repairs, renovations, and construction.

RESTORATION



SCENARIO:

While borrowing a piece from a private collection, you agree to clean and restore the asset while it's in your possession. During the active process of restoration the artwork is damaged.

TAKE ACTION:

With the right coverage, borrowed artworks are protected while in your care, even during the restoration process. This can also include coverage during transport to your site, or a third party restoration facility if utilized.



FROM AWARENESS TO IMPLEMENTATION

In today's changing world and economy, museums and cultural institutions must have a comprehensive risk mitigation strategy. This strategy must begin with the right insurance coverage, but it doesn't end there. Your risk management strategy must evaluate all of our exposures and include

strategies to prevent damaging incidents before they occur. At Alliant, we can help you face these risks and will work with you to accomplish your mission. We know museums. We know your risks. And we have a plan to keep you secure for the long road ahead.

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

Alliant is the nation's largest specialty insurance brokerage firm, providing risk management, insurance, and consulting services that safeguard the physical and financial health of thousands of clients throughout the U.S.

www.alliant.com

CONTACT

P.J. Skarlanic, CPCU, ARM

Vice President

415 403 1455

PSkarlanic@alliant.com