



Personal Insurance

Protecting Your Wine Collection

What is the biggest mistake made by wine collectors? *Not protecting their investment.*

No one wants to think about the possibility of damaging or losing his or her wine collection. The majority of homeowners insurance policies do not specifically address many of the exposures wine collectors face, especially when it comes to flood exposure, mechanical breakdowns, temperature extremes, and shipping conditions. Consider these tips to help protect against damaging or losing your prized wine collection.

Document, Document, Document

- Keep the original purchase receipt, the original auction catalog, and the seller's contact information.
- Keep a detailed description of the bottles, including any marks that make it unique, where bottles are stored and the quantity. Your collection can be tracked manually or digitally with applicable software.
- Photographs are a great way to document your wine. Take a picture of the label, any unique features, date and original receipt.
- Keep an updated inventory list to ensure you have the most accurate count of your collection.
- Your inventory list should include wine descriptions, value and storage location.

What is it Worth?

- Collector markets can be extremely volatile, so routinely have your collection appraised and keep a record of its value over time.
- Work closely with your insurance agent to ensure you are protected based on current market value
- Wine is one of the easiest collectibles to fake. One common wine scam is re-labeling. Do not be duped and do your research.

Optimal Storage Locations

- The best place to store your wine is in a cellar.
- Places in your home that generate heat like kitchens, laundry rooms and boiler rooms are never good places to store your wine.

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- Avoid exposure to vibrations around older wines.
- Electric wine coolers are good options; just remember to store the appliance in a place that is naturally cool to keep electric bills low.
- If you plan to collect and store more wine in the future, consider expanding your storage space to ensure you have adequate room for your new additions.

Invest in a personal cellar/vault

- The best cellars are detached, well insulated, and secure. If this seems like too much, store your wines with a reputable storage facility.
- Store high value bottles in cellars insulated with fiberglass to regulate temperature and protect against mold and label damage.
- Consider mahogany or redwood racks in your cellar, as they do not rot in humidity.

Climate Control

- Exposure to extreme temperature changes including heat can damage your wine collection. The ideal temperature range for your wine is between 45° F and 65° F (*with 55° F often being considered as an optimal temperature*).
- Arid environments can dry out the cork in your wine bottle. Traditionally, 50–80% humidity is adequate for wine storage.
- Use a monitoring alarm system within your storage place to alert you to temperature changes that may be needed to protect your wine.
- Install a backup generator to protect your collection during power outages and to help avoid extreme temperature changes that could otherwise damage your collection.

Store Bottles on Their Side

- Bottles stored long-term should be placed horizontally to prevent the cork from drying out.
- Storing wine horizontally is also an effective space saver.

Lights Off

- The glass used for wine bottles is dark in color to protect the wine from UV rays.
- Sunlight can damage wine by aging it prematurely.
- Light from household bulbs can fade labels in the long run.

Transport Safely

- Wines are sensitive and do not travel well. Avoid transporting wine unless absolutely necessary.
- Wine, in particular, old wine, should be delicately handled.

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- Pack each bottle individually in a two-piece molded polystyrene foam mailer and then place in a double-wall corrugated shipping container. The use of any other packing material such as bubble wrap, fiberboard partitions, etc. may allow the bottles to contact each other and break.
- Temperature must be regulated throughout the course of transportation.

Equipment Breakdown Scenarios

Most regular homeowners policies do not automatically include coverage for equipment breakdown or may specifically exclude food and beverages. Since wine is often times stored in the basement, it can be vulnerable to water damage like backup of sewer and drain or pipe breaks.

Consider the following equipment breakdown scenarios:

Scenario 1

Imagine coming home from vacation and finding that the cooling system in your temperature-controlled wine cellar broke and started emitting hot air.

What would you find when you opened your well-sealed wine cellar? Most likely, spoiled wine. Corks are either popped out entirely or sticking out and wine is all over the floor. Your 1,000+ bottles of wine are undrinkable and unsellable, your investment is gone. Many wine enthusiasts would be unable to recover financially from such a loss.

Scenario 2

The base amount on most homeowners policies for sewer backup wouldn't be able to cover extensive damage to your wine. Flood is also not covered in homeowners policies.

The unthinkable happens. A pipe bursts on the second floor of your house and water finds its way through the ceiling into your wine cellar. Water seeps through the ceiling for hours, soaking your wine bottles. Most of the labels are still in tack, but they are damaged. Although the wine itself may not be damaged, the damage to the label alone diminishes the value of your wine as an investment.

Insure Your Collection

Obtaining a wine insurance policy will cover accidental breakage, theft, fire, and water related damage and in particular loss or damage caused by mechanical breakdown of refrigeration equipment or power outages.

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Review Insurance Policy Coverage Options

- Your agent will help you select the best coverage for your collection.
- Provide specific details about your collection so we can help you determine the best coverage options:
 - *How large is the collection?*
 - *Is wine stored in more than one location?*
 - *If appraised, what is the collection's value?*
 - *Is the collection covered by an existing policy?*
- Depending on the storage environment, your wine may need more coverage options than the traditional policy.
- Be sure to discuss what homeowners or collections policy best suits your coverage needs with your agent.
- Ask questions to make sure you understand your coverages.

For assistance with your personal insurance needs, contact ProCo, the people partner!



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