

## **Note From Our President: New Trends in Travel Claims**

The summer holiday season is almost over and jewelers will get busy tending to the upcoming end of the year activity. One report suggested that 60% to 70% of all business is done in the last quarter of the year.

During this period, traveling with valuable merchandise is a difficult risk consideration that needs to be managed. The increase in the price of precious metals and jewelry in general has put pressure to increase the insurance cover for persons at risk. Sellers of the merchandise need a good selection to make a reasonable sales presentation. A good selection with current pricing of goods can easily run into many hundreds of thousand of dollars. On the other hand, underwriters are careful extending additional limits and impose conditions on persons exposed to reduce their risk.

This cycle forces the insured party to accept a part of the risk and therefore learn the techniques to manage the portion of the risk exposed to internally. These techniques include more advanced training in travel, using other ways of transporting merchandise without exposing travelers (such as armored transport), making dummy lines, adding to the security of the traveler by having multiple persons traveling together or hiring professionals to protect the exposed party and being aware of the trends that are creating losses.

For the subject of this writing one such trend that has recently created multiple claims in California is described in the following scenario.

The selling party arrives in a car for an appointment to see a client. The car is parked and the subject visits the client and spends some time presenting his merchandise. The subject then returns to the car intending to drive to the next destination. Within a short distance the car stops. The subject, not being able to restart the car, naturally gets out to see what the problem is. While checking to see if the car issue can be resolved the subject is suddenly exposed, surrounded and hit quickly by professionals who strip the subject of the merchandise and leave within minutes. The hit is set up by putting some water in the gas tank while the subject was busy working the client.

Other variations would have the tire flat needing a tire change or removing wires out of the engine compartment.

It is important that insured parties with such exposure do their best to be informed of incidents in their respective area. Associations or trade colleagues are a good source of information. Salespersons who are knowledgeable and alert are better prepared to confront such situations.

**JSIS Insurance, August 2008**