



Insuring your LEGO collection

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Outline of Presentation

- Disaster happens
- Insurance types
- Proof of your collection
- Value of your collection
- Methods for tracking collection value
- The Inventory Collection Application

You & Your LEGO Collection





One day... **DISASTER HAPPENS**

FIRE DESTORYS YOUR HOUSE



Insurance – The Basics

- Three types of insurance
 - Personal (Medical, Dental, Life)
 - Covers an individual or group
 - Property (Renter's and Condominium)
 - Covers your property & some liability of injuries by others
 - Home
 - Covers your home and other buildings attached to home
 - Also acts like personal & property insurances
 - Can provide compensation for liability claims, medical expenses, and other amounts that result from property damage and personal injury suffered by others.



Insuring your property – Via Home Insurance

- Usually limit is 50% of the dwelling coverage
- Set limits for specific categories
- Some categories have other limits for theft
 - Firearms, Furs, Jewelry
- Increase the limit on categories by buying a scheduled Personal Property endorsement or a floater.
 - Some categories may require appraisal papers or proof of item
 - Jewelry need appraisal
 - Collectables require proof via certificate, etc.



Insuring your property – Via Property Insurance

- This is a better way to go
- Policy covers item no matter where the item is at when damaged or stolen
 - Ex. Professional Digital camera is stolen on vacation in Paris.
- Two methods to determine value of item
 - Actual Cash Value (typical to most policies)
 - Replacement Cost



Value of property – Actual Cash Value (market value)

- Replacement cost minus depreciation
- Value determined by
 - Objective criteria – formula that takes into account category and age of property
 - Subjective criteria – adjuster's visual observations of the property or a photo of it
- Lower cost & premiums for this policy
- If you do not intend to repair or replace item then this method is best
- Receive compensation quicker and get cash



Value of property – Replacement Cost

- Insurance will replace item with the same or similar one
- You buy item again and provide insurance company with the bill
- Insurance company does not take into account wear and tear of item
- Must show proof to insurance that you had item
- This method takes longer since you 1st buy and then get reimbursed



Value of your LEGO Collection

- Retail value – exact
 - Those sets you can re-buy today (K-Mart, Target, Lego S@H, etc.)
- Market value – averages
 - Those sets you can re-buy on the secondary market (Ebay, bricklink, etc.)
- “Emotional” value - estimations
 - Those sets that you cannot buy again (Limited edition numbered Santa Fe engine, early 60s sets, etc).



Determining the value of your LEGO collection

- By sets
 - Use the retail, market and emotional values to buy back the sets
- By parts
 - Use the retail and market values to buy back the parts
 - This will not help if you have a replacement cost policy in obtaining your LEGO set since you would be buying from various sources to re-create the set



Inventorying your collection

Things to track

- Quantity
- Description
- Actual cash value (if different than purchase price)
- Copies of bills, receipts or other documents to justify the figures of your value
- Serial numbers (SKU if still in box)
- Location
- Images or video footage of item



How to track your inventory

- Sales receipts
- Notebook
- Spreadsheet (preferably electronic)
- Dedicate computer programs
 - The Inventory Collection
 - Custom MS Access database



Tracking via sales receipts

■ Pros

- Easy to implement

■ Cons

- Does not track everything
- No idea of total value
- Must create a tracking system for receipts
- Current market value not noted
- No backup of data



Tracking via notebook

■ Pros

- Easy to implement
- Keeps everything in one place

■ Cons

- Adjustments are “ugly”, since you must erase or ink out items
- Total value must be calculated manually
- Proof of item must still be saved somewhere
- No backup of data



Tracking via spreadsheet

■ Pros

- Easy to implement
- Keeps everything in one place
- Can perform math functions for you
- Can sort items
- Easy to provide insurance company with proof
- Create backup copies that can be stored in separate **physical** locations

■ Cons

- Must know how to use software
- Proof of item must still be saved somewhere



Tracking via dedicate programs

■ Pros

- Designed for inventory tracking
- Provides all the benefits of all the other methods

■ Cons

- Must know how to use software



A dedicate program – The Inventory Collection (TIC)

- TIC is designed with the LEGO collector in mind by a LEGO collector, A&M Productions
- TIC can
 - Track your collection & it's value
 - Store images
 - Create, save and print reports on your inventory



The Inventory Collection Features

- Unlimited record entries*
- View each records details & images
- Search by category, sub-category, or keywords
- Create, print and save reports
 - By Unit, Item, Sub-Category, or Category
 - By Market Value of Item, Sub-Category, or Category
 - Value of top & bottom 5 items
 - Items missing images & last updated on...
- Backup, retrieve & create new inventories
- TIC Editor to edit the database for customization

* 4,294,967,295 is the max amount of individual records per database



Additional Information

- Company dealing only with toy insurance
 - <http://www.collectinsure.com/toys.htm>
- General Info on Insurance
 - <http://www.insurance.com>
- More information on TIC
 - http://am_production.tripod.com



Final Thoughts

- Everyone needs to think about insurance
- Ensuring via Property insurance is better than Home insurance
- Know what method of valuing your property your policy has
 - Actual Cash Value or Replacement Cost
 - Replacement cost is advantages to you but takes longer and cost more



Final Thoughts (cont.)

- Inventory and determine the value of your collection
- Track your inventory via a method that works for you
 - Storing sales receipts
 - Via a notebook
 - Via a spreadsheet
 - Via dedicated computer software

Questions?



Insurance Sea