



Musical Instrument News

An important benefit of being a member of OCSM is access to the OCSM Musical Instrument Insurance Program administered by HED Insurance and Risk Services. The Program provides broad coverage for instruments owned, rented or borrowed by members whether used professionally or for pleasure providing world wide coverage. The program also provides Liability Insurance for the activities of a professional musician. An Accident Benefits component is included as well. The program coverages, conditions and rates are reviewed with the Insurer each December 1, but members can obtain coverage any time throughout the year

The terms for 2008 have been finalized. In addition to previously improved coverage for damage resulting from changes in temperature and humidity, the exclusion for freezing has been removed. As a result of favourable loss experience under your program, a reduction in last year's instrument rates has been obtained, along with a relaxing of the requirement for appraisals each year on high value instruments. All instruments now only require an appraisal every 36 months, and this is only to qualify for the "Reduction in Value" coverage. Previously, instruments valued over \$250,000 required an appraisal each year, now it is every 36 months.

Note that the "Reduction in Value" coverage continues as a cornerstone of the program. This coverage provides compensation for the difference in the diminished value of an instrument due to repairs following a covered loss versus the value of the instrument prior to the loss. This cover also applies to the reduction experienced if a destroyed instrument is replaced with one of a lesser value. It is important to remember that this coverage only applies if a written appraisal of the damaged or destroyed instrument exists prior to the loss, and said appraisal was completed within 36 months of the policy inception or renewal date. If you wish the "Reduction in Value" coverage to apply please ensure that your appraisal is less than 3 years old.

For more information on the program, please contact HED at 1-800-665-8990 ext 7881 or visit www.hedmiip.com