

Collecting and Shooting the Military Surplus Rifle



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## Covering Your Assets: Insuring Your Arms Collection w/ Homeowners/Renters Insurance



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### NOTICE!

*This article addresses issues that deal with the insurance industry and its regulations. Federal and state law also comes into play. This article is not, nor is it intended to be the last word on this subject. The intent here is to give the reader some tools to document the existence and approximate value of his or her arms collection in the event of some tragedy. Only your insurance agent can answer specific questions about your policy, and exactly what is, or is not covered.*

Insurance, we have it on our cars, homes, businesses, and ourselves. It's one of those things we all hope we never have to use, but it's a comfort knowing it's there if needed.

Usually the first experience most of us have with purchasing insurance is the automobile policy. Then it's life insurance, renters insurance, and eventually, a homeowner's policy. But, what about your arms collection, is it just enough to *assume* your homeowner's / renters insurance will cover a loss?

Your first step is to read your policy carefully, determine exactly what is, or is not covered. Call or meet with your insurance agent, he or she can answer specific questions on any matters that aren't clearly stated in your policy.

If an automobile is wrecked, it's fairly cut and dried. A licensed adjuster goes out, looks at the damage and determines the cost of repair from a standard manual. All body shops go by the manual. If that amount is less than the value of the vehicle, a claim is paid, less the deductible. If the cost of repair exceeds the value of the vehicle, the vehicle is totaled, and the actual vehicle value is paid on the claim, less the deductible.

The same thing happens if there is damage to your home.

Some years ago we had a very bad hail storm one winter. While our home weathered it just fine, the pool cover and pool liner were both shredded by golf ball sized hail. An insurance adjuster came out, looked over the damage, and we promptly received a check, they even paid us for the water in the pool! Cars and pools are easy for an insurance company to get an accurate damage or loss assessment on. If an automobile is stolen, once again, it's a fairly standard procedure for the insurance company. However, firearms are another story altogether.

I recently sat down with my insurance agent. The following applies to the State of Texas, and the State Farm Insurance Company®. State insurance regulations and policy terms differ from state to state and from insurance company to insurance company, again, your insurance agent can give you all the details.

A State Farm Insurance Company® *homeowner* policy covers firearms, cameras, artwork, etc for a standard amount of \$2,500.00 maximum, less your deductible. As you can see, that really doesn't give you much protection at all. Even with a low deductible of \$500.00, and most are *much* more, a standard homeowners policy gives little protection to your arms collection.

Most homeowner policies do have a provision known as PACE. The PACE provision *does* have a yearly inflation factor built in, but again, this is really to protect your home, and not an arms or artwork collection.

Ok, so, our homeowner policy really isn't designed to protect our arms collection, but that's OK. You wouldn't use a .458 Winchester magnum to hunt squirrels, or show up to a Mil-Surp rifle only match with a lever action 30/30, because, those are not appropriate arms for the task. Just as you would bring the proper gun on a hunt or to a match, the insurance industry has crafted products designed *specifically* for persons with various types of collections. The correct policy to protect your arms, jewelry, artwork, antiques, cameras etc collections is known as a **Personal Articles Floater Policy**.

Let's look at the terms of a **Personal Articles Floater Policy**. First, the policy terms themselves are very simple. Should the unthinkable happen, and you need to file a claim due to theft, fire, natural disaster etc, you receive **100% value for your guns, NO deductible is applied!** You receive a check for the stated value of your guns. We will get to values and documentation in a bit. One thing you do need to be aware of, there is **no** PACE provision in a Personal Articles Floater Policy. Without that yearly inflation factor, you will have to do a yearly update on your bookkeeping.

Now that you want to get proper protection for your arms collection, the first thing you have to do is properly document your guns. A person who collects "Curio & Relics" already has a bound book that records much of this data. Also, there is software to help a person with a C&R document their C&R eligible guns, this article outlines such software.: <http://www.surplusrifle.com/reviews/nmware/index.asp>

But, what about modern arms or true antiques, how are they documented? What about actual values? Let's look at some techniques and steps to properly document our arms collections.

Properly documenting each and every item is key. Make, model type and serial number are a start, but more is required if the unthinkable happens, and you have to file a claim.

For those not possessing C&R software, you can create a simple document that lists every gun you own. If a Mil-Surp arm has an importer serial number that was applied by laser engraving, that number should also be included as well as the factory serial number. List the type of arm, semi-auto, bolt-action, single-shot, revolver, etc. Also list scopes and their values, if you have the box and instruction booklet for the gun, also include this information. Below is a *sample* of a format that can be used to create a list for insurance purposes ([Note1](#)). You should also take a picture of every gun you own to

further document your collection.

Maker, Type	Model & Serial #	\$ Value
Smith Corona, US, (bolt action rifle)	Springfield 03/A3, Serial # 000001, (Military Surplus)	\$600.00
Lithgow, Australia (bolt action rifle)	SMLE Mk III*, Serial # 00002, (Military Surplus) (Importer Serial # 123456)	\$400.00
Remington 504-T LS HB (Bolt Action rifle)	.17HRM. Caliber, Serial # 00000003 with box, instruction book, Weaver 36X scope	\$600.00 Scope \$400.00
Strum Ruger (Single Action Revolver)	Model: Super Singe Six, Caliber 22 L.R., Serial # 11-11111, (6 inch barrel, blue) w/ .22 magnum cylinder, with box, instruction book	\$250.00

Notice the description for two civilian arms also include the fact that the boxes and instruction booklets are included. This adds to the value of the arm. Since the revolver is available with a variety of barrel lengths, the barrel length is included in the description.

Listing the gun, make, serial number etc is simple, but what about values? This takes a bit of homework.

The thing that *must* guide your stated gun values is honesty. Never rate a gun as excellent condition unless it is excellent! The various manuals and price guides are just that: guides. Honestly rate your guns, and only put down their true values.

If you have a receipt for a new-production rifle you bought last week, it's pretty simple. Just list that price. But, it's not always *that* easy. Suppose you went to a gun show in 1999 and bought a beautiful Finish Model 39 for \$115.00. Now you want to insurance it. But it's now 2008. You cannot touch a very clean, or even a beat-up Finish Model 39 for \$115.00! Not only that, you discovered after you bought the rifle that it's one of the very rare "Sneaker Fins", only 5.500 were made by SAKO between 1967 and 1972, and the dealer had no idea what it was when he sold it. This is where you have to do a bit of research.



Figure 1  
NM Gun Collector Software

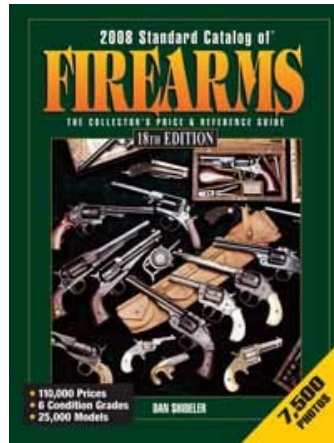


Figure 2

A recognized price guide makes placing a value easy work

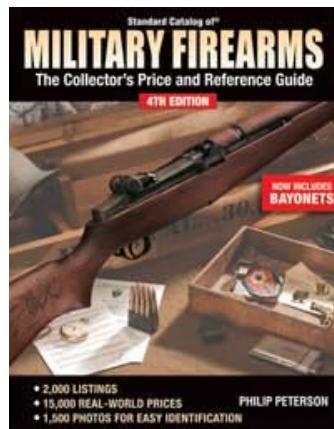


Figure 3

This price guide is for Mil-slurp arms

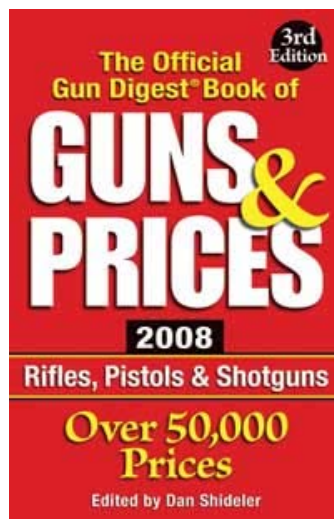


Figure 4

Another good price guide

(All 3 of the above titles are available at the link below)

[http://www.krausebooks.com/category/firearms\\_knives](http://www.krausebooks.com/category/firearms_knives)

The Standard catalog of Military Firearms lists a Model 39 in “Exc. Condition” for \$250.00, with a 25% premium for SAKO built guns. However, a “Sneaker Fin” will bring an additional premium. You may have to watch several auctions on a site such as [www.gunbroker.com](http://www.gunbroker.com) to see what the real “street price” of such a gun brings. Street price is what the true, market price of a gun to a consumer is. Watching several auctions disclose the average price for a “Sneaker Fin” in the same condition as yours is now \$375.00.

Suppose you go to the site of “Remchester Arms” and see the MSRLP for their model “Belchfire 1000” is \$1055.00. But, the true street price for the rifle; from virtually any dealer is actually \$900.00, give or takes a few dollars either way (and you paid \$897.00 for yours). Yes, there is one national chain that does sell for MSRLP plus 10%, but they are in the minority. So, you would list the \$897.00 as the value of the gun. Suppose this model continues in production for many years. However, what if yours is a rare variation? Let’s say yours was in caliber 7X57, which was available for one year only. Then, you would have to research its true street value. It now may be worth more than you paid for it, even though that model is still in production.

Now that you have your gun documentation and values, it’s time to visit your insurance agent, and set up the Personal Articles Floater Policy. Give your agent a copy of your gun documentation, and he or she will put the policy together for you. What does such coverage cost? Actually, the policy cost is not as much as you may think. The cost of the policy is only \$2.75 per \$100.00 of stated value. So, if you have \$2000.00 worth of guns, your yearly premium is only \$55.00. Remember though, you will need to research your list every year, and if it warrants it, put in new values. Should the values increase, the premium will also increase. Every time you acquire a new gun, it too must be added to the list.



Figure 5

**A quality security/alarm system costs little, gives peace of mind**

While we all need insurance, it also pays to have a first line of defense in our homes to protect our families; this is where a security/alarm system comes into play. An alarm system also protects the property you have worked so hard to provide for your family. Quality security/alarm systems are inexpensive today. Once the security/alarm system is installed, simply bring the documentation the security system installer gives you to your

insurance agent. The amount that your insurance company will deduct from the premium on your homeowners policy almost pays for the security/alarm system!

The small premium you pay for a Personal Articles Floater Policy is well worth it. Consider: it's too late to seek coverage once the unthinkable has already happened.

Properly documenting your collection takes little time, and your insurance agent will be more than happy to set you up a Personal Articles Floater Policy. The piece of mind that your arms are protected is well worth the premium cost.

Note 1
The arms and serial numbers listed here are fictitious. The values listed for these guns and scope are, however, <i>quite</i> appropriate (depending on condition).

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