

INDUSTRY **INSIGHTS**

Art and cultural heritage at risk

How to build awareness and manage risk in an increasingly vulnerable environment



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A start-up within a global company

ARTE Generali was born as a start-up within a large international group, aiming to enrich and qualify art insurance in the private and institutional customer segment. Recognizing the strategic importance of cultural assets in wealth preservation and legacy planning, we developed an innovative model that goes beyond traditional indemnity.

Our approach delivers a comprehensive, human-centric service that integrates expert advisory with a collaborative, digitally enabled workflow, designed to support long-term asset protection, risk mitigation and intergenerational continuity.

Recent studies, including the Art Market Report 2025, highlight rising losses from insurable events—such as theft, natural disasters and environmental damage—underscoring the vulnerability of unprotected collections.⁵ Munich Re's Natural Disasters Figures 2024⁶ report states that total global losses from natural disasters in that same year reached \$320 billion, with \$140 billion insured, making it the third most expensive year on record for insured losses. Weather-related events accounted for 97% of insured losses, driven by hurricanes, floods, and severe thunderstorms. The study emphasizes that non-peak perils (such as wildfires and floods) are increasingly contributing to the upward trend in losses, reflecting the growing impact of climate change.

The reasons for the global art market's underinsurance include:

- Cultural reluctance toward insurance;
- Limited awareness of art-related risks;
- Limited availability of specific expertise in art insurance;
- Lack of transparency in valuation; and
- Insurance offerings unaligned with client needs.

It is essential to address these issues, not only to preserve cultural heritage but also to safeguard long-term wealth and legacy.



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Art and cultural heritage: Underinsurance in the global art market

Cultural assets and works of art are meant to be shared with the broader public. As such, we are all temporary custodians of objects that embody humanity's collective heritage.

While global art market sales are estimated at US\$57.5 billion,⁴ this figure reflects only visible transactions—the total stock of art and cultural assets preserved worldwide is far greater. Despite this, many artworks remain uninsured due to limited valuation, low-risk awareness, and a lack of tailored insurance solutions.

Primary causes of damage to cultural heritage and art collections

Works of art are vulnerable to a range of damaging factors that can compromise their aesthetic, historical and financial value. These risks can be broadly categorized as follows:

- **Environmental factors:** fluctuating humidity, extreme temperatures, and ultraviolet (UV) light accelerate material degradation.
- **Physical damage:** mishandling, impacts and scratches during transport or installation are frequent causes of deterioration.
- **Biological threats:** fungi, insects and bacteria can damage organic materials like paper, textiles and canvas.
- **Natural disasters:** floods, fires and earthquakes pose serious risks without proper preventive measures.
- **Vandalism and theft:** publicly displayed works are vulnerable without adequate security.
- **Unstable materials:** contemporary materials like plastics and acrylics often degrade quickly and need specialized care.

Risk management in cultural heritage

In art insurance, risk management involves educating clients about potential threats and facilitating the transfer of financial risk to insurers, supported by expert intermediaries.

This process includes four key stages:

- 1. Asset identification and evaluation:** assess each asset's value and unique characteristics, along with risks like theft, environmental damage or deterioration.
- 2. Risk analysis:** evaluate the likelihood and impact of these risks, considering material vulnerability and storage, context, display or transport conditions.
- 3. Preventive and response planning:** based on the risk assessment, develop tailored preventive measures and emergency response plans, which may include conservation strategies, environmental controls, and security enhancements.
- 4. Ongoing monitoring:** continuously review and adapt protection measures to reflect changes in the environment, asset condition or context.

Risk analysis: Specialized competencies in art and cultural asset management

Artworks and collections often hold significant economic and cultural value. Managing these assets requires a multidisciplinary skill set to assess risks, anticipate consequences and implement effective mitigation strategies.

KEY COMPETENCIES INCLUDE:

- **Evaluation expertise:** Accurate appraisals demand a deep knowledge of art history, market trends, provenance and condition.
- **Material vulnerability assessment expertise:** Understanding how different materials respond to environmental, biological and mechanical risks is essential for preventive care.
- **Structural and infrastructural context awareness:** The environmental conditions of storage or display spaces can significantly influence risk exposure. Understanding how these environments interact with the artworks they contain is crucial.
- **Probability analysis:** Evaluating the likelihood of damaging events—such as theft or natural disasters—requires data-driven insight and historical context.



Credits: Etienne Assenat "Composition rouge" and "Composition bleu", 2025
Gallery: Galerie Boulakia

Integrating these diverse skills is complex, making it challenging to build a fully equipped professional network. Bridging this gap calls for continued investment in education, cross-disciplinary collaboration, and specialized tool development. **Raising risk awareness is the critical first step.**

Risk awareness: Digital strategy for conscious protection

Reaching and engaging different **niches** of stakeholders—collectors, institutions and professionals— requires a targeted and thoughtful digital strategy. By combining technology with human expertise and communicating through a conscious digital strategy, the critical challenges of the art and cultural heritage sector can be transformed into opportunities.

A well-designed digital approach can enhance risk awareness, support professional development, and foster a more resilient and informed ecosystem to protect our cultural heritage. For family offices and risk managers, this means leveraging technology not just for operational efficiency, but as a strategic tool to enhance awareness and strengthen long-term asset protection.

Raising awareness through digital engagement

A key barrier to broader art insurance adoption remains the lack of awareness around asset value and risk exposure. Addressing this requires a preventive, targeted communication strategy—what we at ARTE Generali call “sharing culture to harvest market.”

Digital tools allow us to reach specific audiences with tailored content that builds knowledge and fosters risk awareness. Our website is a 24/7 resource hub, offering expert articles, interviews, and

practical guidance on collection care and risk management. This makes it a trusted destination for informed decision-making.

But the digital journey does not stop there. AI-powered tools—such as market analysis apps—enhance engagement by helping users navigate the contemporary art landscape with greater confidence and insight.

Ultimately, while digital communication is essential for stimulating interest and awareness from the ground up, the training of specialized intermediaries remains a critical link in the value chain. These professionals combine deep expertise with direct access to a broad client base. And thanks to digital technology, it is now possible to scale their training efficiently and cost-effectively.

Integrating human expertise and innovation: A holistic approach to art insurance

ARTE Generali was founded to break the boundaries of traditional insurance policies and deliver a comprehensive, value-driven service tailored to sophisticated clients’ needs.

However, delivering this level of service is not a solo effort. It requires substantial investment in cultivating a robust network of trusted experts across all critical domains—art valuation, restoration, transport, storage, security, finance, and legal advisory. This ecosystem allows us to respond to each client’s unique and often complex needs with precision and care.

A specialized Fine Art consultancy should be further enhanced by integrating advanced digital technologies. These enable a more structured risk assessment process and ensure the secure management and sharing of all relevant documentation, from certificates to condition reports.

Risk assessment and evaluation: Toward collaborative digital collection management

A major challenge in artwork insurance and appraisal is the fragmented and often informal nature of documentation.

For example, risk assessments are still frequently conducted using paper-based questionnaires. These are prone to incomplete data, limited feedback and security concerns, especially when sensitive information is shared via email.

Similarly, artwork valuation and management often lack structured digital systems to consolidate critical information, such as inventories, provenance, condition reports and high-quality images. To address these inefficiencies, adopting digital risk assessment and collection management tools is essential.

Online risk assessment tools can help evaluate potential threats to artworks by streamlining the initial data collection process and generating reports highlighting areas of concern. This enables faster, more informed feedback, similar to diagnostic tools in healthcare. As a result, intermediaries can better engage clients in meaningful discussions about their risk exposure.

In parallel, secure online collection management platforms enable secure documentation archiving, real-time updates to object lists, and centralized storage of key records, such as insurance certificates, condition reports, and blockchain-verified digital footprints.

Together, these tools enhance transparency, efficiency and accuracy in both risk assessment and collection management. For family offices, this translates into stronger protection of cultural assets, more effective service delivery, and a more structured and secure handover of collections across generations. The importance of reinforced

due diligence and documentation management in relation to legacy processes is also highlighted by recent insights from [the Art Basel and UBS Survey of Global Collecting 2024](#).⁷

A new humanism: Technology at the service of human capacities

Our artistic and cultural heritage is more than a legacy of the past. It is a living narrative that defines who we are, where we come from, and where we are going. It shapes our identity, informs our values, and inspires our vision for the future.

To honor this heritage, we must protect it, enhance its visibility and accessibility, and develop meaningful ways to measure its impact on society. Cultural heritage is not static but a dynamic force for connection, education and transformation.

For family offices, this heritage represents both emotional and financial value, requiring thoughtful stewardship across generations.

From a legacy planning perspective, technology plays a vital role in preserving this value. Advanced evaluation and collection management systems now enable the precise tracking, valuation and documentation of assets, ensuring collections remain relevant and accurately represented over time.

However, introducing technological innovation into the art world is often met with a mix of optimism and apprehension—and understandably so. Many professionals across the value chain are struggling with the rapid pace of change and fear their roles may be displaced by artificial intelligence.

Therefore, it is crucial to understand and use technology with a purpose. The intention should not be to replace human expertise, but to enhance it. These tools should empower professionals, boost

decision-making, and support the long-term goals of wealth preservation, risk management and legacy continuity.

Investment in technology must be matched by a strong commitment to structured change management. In the initial phase, it's essential to equip internal teams with the skills and confidence to adopt new tools and models. Afterward, this collaborative approach must extend to trusted intermediary partners, ensuring they are also empowered to evolve alongside.

We anticipated resistance—after all, the art world is not traditionally process-driven—but we remain committed to highlighting the value of human expertise, amplified by smart technology.

The paradox of innovation applies here as well. It's not enough to use technology; one must also understand the how and why.

Credits: "Nature morte", Gino Severini, oil on canvas, 1916-1917, cm 55 X 46,5 - from the Generali Corporate Heritage and Historical Archive.



Endnotes

- 1.
- 2.
3. —
4. Art Basel and UBS, [Art Market Report 2025](#), 2025, p. 12.
5. Ibid, pp. 44–45.
6. Munich Re, [Climate change is showing its claws: The world is getting hotter, resulting in severe hurricanes, thunderstorms and floods](#), 2025
7. “A heightened sensitivity to due diligence is particularly important in an environment in which documentation concerning proper import, export, provenance, and authenticity is becoming more and more stringent. These elements are essential to uphold the tradability and therefore value of an artwork, and indeed the entire collection.” — Art Basel and UBS Survey of Global Collecting 2024, pp. 79–81.