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"Advisers depreciate antiques as investments; Don't expect them to feather nest eggs"

By Michael Ferrarella

To the Chubb Group of Insurance Cos., antiques such as paintings, furniture and decorative objects belong in investment portfolios. But some financial advisers disagree.

Such advisers think antiques should be purchased only by those who appreciate them, not by those who want them for investment purposes. Antiques, they contend, aren't guaranteed to rise in value over a set time period, as appreciation rates change according to buyer interest, and some might not appreciate at all.

But Renee Vara, national fine-art specialist at Warren, N.J.-based Chubb, said: "People are looking to tangible assets. Private banks will loan against antiques if the value is good."

Chubb provides insurance for antiques, but it also provides an online inventory that clients receive access to, along with tips on how to prevent taking losses on antiques investments. "You need to insure for the retail value - what it would cost to replace the item," Ms. Vara said.

In order to assist clients with their investments in antiques, **Chubb** provides Masterpiece Manager, an online database where clients store their inventories. Along with the storage, clients receive referrals to independent experts in the field of antiques.

John LeBlanc, a principal of Back Bay Financial Group Inc. in Boston, has clients who claim antiques as a big part of their net worth. He agrees that insuring antiques is a must.

"If your home burns down, mutual funds won't be lost," said Mr. LeBlanc, whose firm has more than \$85 million in assets under management. "But antiques will."

And yet investing in antiques "isn't going to pay the rent," he said.

Madeline Noveck of Novos Planning Associates Inc., an investment advisory firm in New York with \$90 million in assets under management, noted that "antiques appreciate over time when there is a larger public looking to buy them." The state of the economy is another factor, added the former museum curator. Ms. Noveck said antiques will be bought more during "plush times."

Angela Thomson, principal at Coastal Financial Planning Inc. in Lincoln, R.I., disagrees vehemently with the notion that antiques should be included in an investment portfolio. She declined to disclose her firm's assets under management.