An aerial photograph of a winding asphalt road through a dense forest. The road curves from the top left towards the bottom right. A white car is visible on the road, positioned in the lower right quadrant. The trees are mostly green, with some showing autumnal colors. The overall lighting is soft, suggesting a late afternoon or early morning setting.

EASTWOOD PRIVATE CLIENTS

EXCLUSIVE

Updating jewellery
valuations

TREASURE OR TRINKET

Superstar racehorse
Cornerstone Lad

RACING AHEAD

Protecting your
vehicle

PREVENTION TACTICS

WINTER | SPRING 2020

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TREASURE OR TRINKET

Is it time to update your jewellery insurance valuation? Some of the top manufacturing brands have been virtually unchanged in production for nearly 20 years. Unchanged, that is, except for the price

Courtesy of Doerr Dallas Valuations

CARTIER 'Panther' ring

18-carat white gold, diamond & emerald:

2003 – £26,000 | 2010 – £42,100 | 2019 – £73,000

VAN CLEEF AND ARPELS 'Vintage Alhambra' necklace

18-carat yellow gold & mother of pearl:

2004 – £6,210 | 2012 – £10,800 | 2019 – £13,700

CHOPARD 'Happy Diamond' drop earrings

18-carat white gold & diamond:

2003 – £1,875 | 2011 – £3,120 | 2019 – £5,170

TIFFANY 'Victoria' ear studs

Platinum & diamond:

2003 – £3,100 | 2010 – £4,925 | 2019 – £8,225

The price of gold in 2003 was about \$450 per ounce. Today, it is about \$1510 per ounce, having peaked around 2012 at \$1750 per ounce. So, despite the roughly 350% rise in bullion price over the period in question being a price increase factor, it is in fact a surprisingly small one in gem set pieces like these. The Cartier ring is quite a chunky piece, but its basic bullion value today is probably about £400 as opposed to approximately £125 in 2003. Granted, the VAT rate has risen from 17.5% to 20% in the same period but again, that's had a pretty small effect on the retail price. Therefore, this leaves gemstone prices, the main manufacturing costs and retail profit mark ups as the 'culprits' for the 2.5/3 times when the price sees an increase.

When it comes to diamond prices for good commercial grade stones, these top manufacturing brands have largely stalled over the past few years. It's only the highest quality and rare coloured stones which hit the headlines with their huge prices. When the full impact of synthetic diamonds is felt, we'll be waiting to see what the effect on retail prices will be. We can also consider the effect that the internet has had on diamond prices. Today, there are many well-established and

reliable websites granting access to millions of unmounted stones 'trade prices' (plus VAT), and most with recognised laboratory certificates. The 'closed shop' trade, which has prevailed in the jewellery business for centuries, is now breaking down. The coloured stone market is swamped with cheap, very heavily treated and colour enhanced rubies, sapphires and emeralds – these typically come from the Far East. Another factor is the huge increase in the use of coloured stones. 20 years ago, these would have been classified as 'semi-precious' but are now appearing at serious stone prices. In the past 10 years or so, the stones that have shown a huge increase in price has been natural untreated sapphires, rubies and emeralds – but the stones must have an independent laboratory certificate stating they are natural colour and untreated to come into this category.

A few exceptional stones of this type, mainly in pretty 1920/40's period pieces, have fetched more per carat than decent comparable size commercial grade diamonds. Manufacturing and jewellery workshop costs in Europe have certainly risen sharply over the past 20 years, as anyone who has had jewellery items repaired will know. Nearly all

items are still handmade or finished so the cost of making-up jewellery is a big factor in the resulting retail price. The exception to this being the type of items available from websites and lower grade retailers that are mass produced in the Far and Middle East – usually pretty poor-quality workmanship and coloured stones.

The second-hand auction market for jewellery of this type is very weak – so don't expect to cover the cost of your Far Eastern travels if you try to sell your purchases in the UK. Profit mark-ups are a big variable – about 30 years ago, the tacitly accepted mark-up was to double the cost price and add VAT. Now, a retail shop mark-up can be a whopping 300% to 350% (plus VAT). But don't be too harsh on the retailer – he has frightening fixed overheads and outgoings, and jewellery can be slow moving stock. Also, some jewellery and watch manufacturers do dictate a fixed retail price to the shop for their products, so it's always worth a little haggle. If you had bought any of the 4 illustrated items back in the early 2000's and had applied an across the board annual percentage increase to cover insurance, you might well have ended up in trouble in the event of

a claim due to the variable cost factor increases. The price of gold in 2003 was about \$450 per ounce. Today, it is about \$1510 per ounce, having peaked around 2012 at \$1750 per ounce.

So, despite the roughly 350% rise in bullion price over the period in question being a price increase factor, it is in fact a surprisingly small one in gem set pieces like these. The Cartier ring is quite a chunky piece, but its basic bullion value today is probably about £400 as opposed to approximately £125 in 2003. Granted, the VAT rate has risen from 17.5% to 20% in the same period but again, that's had a pretty small effect on the retail price. Therefore, this leaves gemstone prices, the main manufacturing costs and retail profit mark ups as the 'culprits' for the 2.5/3 times when the price sees an increase. When it comes to diamond prices for good commercial grade stones, these top manufacturing brands have largely stalled over the past few years. It's only the highest quality and rare coloured stones which hit the headlines with their huge prices. We recommend a review of a jewellery insurance valuation every 3 years. A desktop revaluation is fully acceptable within this timeframe, but a

complete revaluation at 5 years, especially as the valuation would include a close examination of the condition of claws, clasps and links, is something many insurers now insist on. Unfortunately, many big brand names have suffered from faking and copying. Allegedly, more Van Cleef and Arpels 'Alhambra' jewellery has been made in the Middle and Far East than in France. All the brands we have illustrated are meticulous in their marking and all their products will have a brand name. In most cases, they will also reference individual serial numbers. So, if you're shopping for some big-name goodies on your Eastern travels, be sure to take a good magnifying glass with you.

IN SAFE HANDS

Whether its jewellery passed down through generations, your prized watch collection, old love letters, or irreplaceable drawings from your children – we must protect what's important

Courtesy of Insafe

At Insafe, we understand that safes protect both the material and the sentimental. We believe safes are very important and ensuring that you choose the right safe is even more so. But with so many factors to consider, it can be difficult to know where to start. Insafe is the preferred supplier to most of the UK's leading insurers, including Eastwood Private Clients. All safes are approved by the Association of Insurance Surveyors (Ais), a respected body of risk control experts working in the UK insurance market.

Only safes that have been fully tested and certified by independent testing houses will gain an AiS certificate. From enquiry, to consultation, through to installation and after-care, Insafe will work one-to-one with each of customer.

Every step of the way, Insafe ensure your safe is the right grade, size and weight for what you need to protect and for your insurance purposes. In addition to ensuring the very best levels of security and service, Insafe will also make sure your safe is compatible with your taste and style. And for our most discerning customers, there are a range of designer safes which combine form with function. Tailor-made to your exact requirements, designer safes from Insafe offer you the opportunity to personalise your safe with the addition of watch winders, jewellery trays, internal lighting and a range of finishes. What's more, Insafe customers referred by their insurance company or broker are often entitled to some preferential rates or discounts.



PREVENTION TACTICS

Today, it's more important than ever to protect your vehicle – but what's the best way to do this?

Courtesy of Oak Underwriting

LOCKING YOUR VEHICLE It may seem obvious but if you're leaving your vehicle, always lock it. Thieves are opportunistic and could be away with your vehicle, especially if the keys are left in it, within seconds.

BE SECURE Using a steering lock is a visual deterrent to would-be thieves as it's an extra device to overcome.

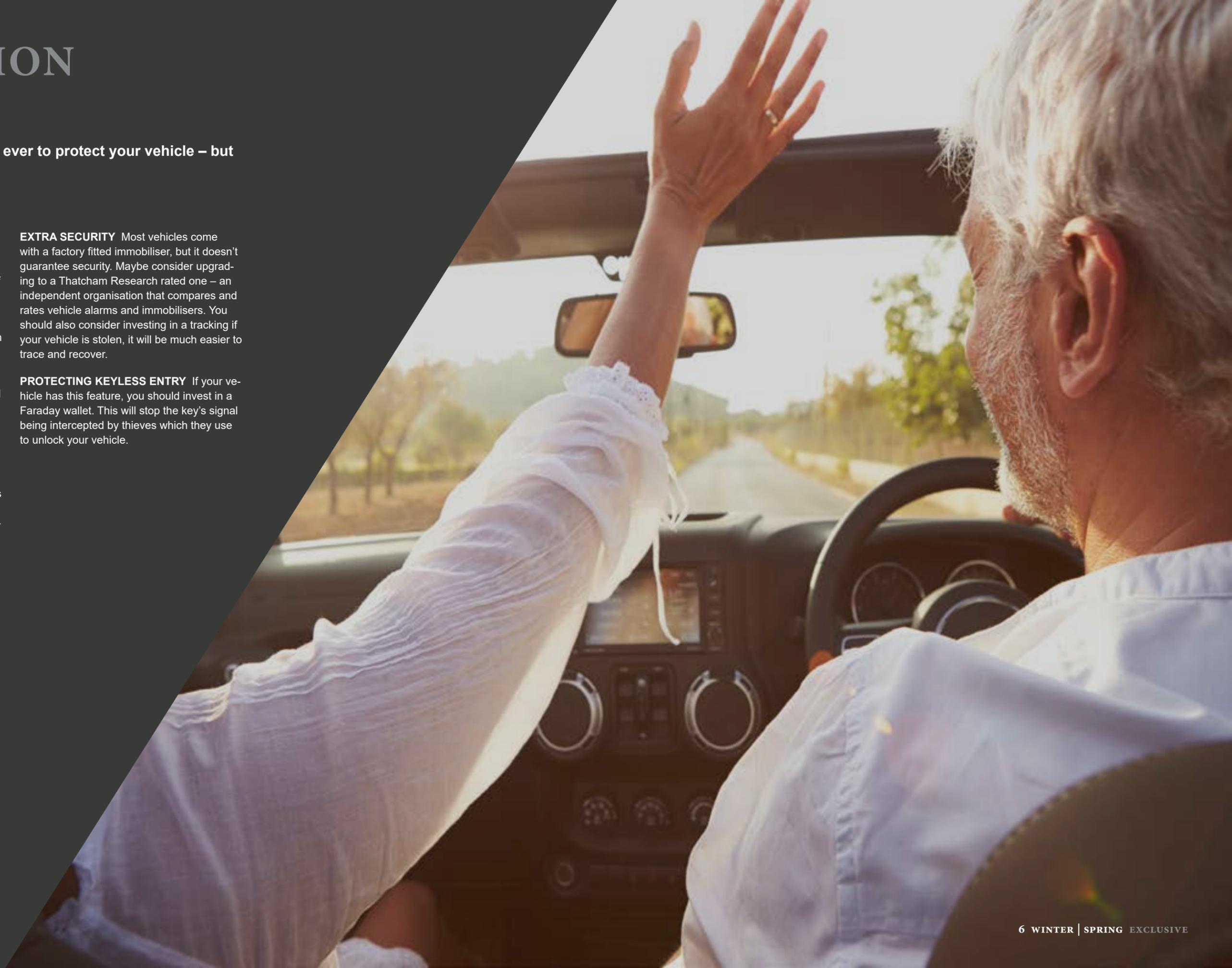
PROTECT YOUR WHEELS Always ensure your wheels are protected with locking wheel nuts. For older vehicle's, where they're not standard, locking wheel nuts are a low-cost option and can be easily fitted.

THINK BEFORE PARKING If you have a garage, then try to use it. When not at home, use a carpark that is security patrolled or has CCTV. If you have to park on the street, then choose a location that is well lit and in a public area – thieves will be less likely to target vehicles where they may be disturbed.

HIDE BELONGINGS Don't leave your valuables in plain sight. This includes anything from your sat nav, jewellery or any other important documents which may be on display. If these belongings are in sight, thieves may be more tempted to break in.

EXTRA SECURITY Most vehicles come with a factory fitted immobiliser, but it doesn't guarantee security. Maybe consider upgrading to a Thatcham Research rated one – an independent organisation that compares and rates vehicle alarms and immobilisers. You should also consider investing in a tracking if your vehicle is stolen, it will be much easier to trace and recover.

PROTECTING KEYLESS ENTRY If your vehicle has this feature, you should invest in a Faraday wallet. This will stop the key's signal being intercepted by thieves which they use to unlock your vehicle.





BOILING POINT

At long last Insurers have developed a proactive approach to escape-of-water claims

Courtesy of Hive

Brokers and insurers are only too aware that escape-of-water claims are expensive and potentially catastrophic for homeowners. Yet, in recent years, claims frequency has increased and have become even more expensive. Frozen pipes that burst in winter are only part of the picture as statistically, water claims are just as likely to occur in other seasons. So, what's the driving increase in frequency and severity? The issue stems from the fact that around half of all UK homes were built before 1960 and, while many have had their plumbing updated, many have not. Much of the UK's housing stock is burdened by corroding connector valves, pipes past their peak and traps on borrowed time – all of which are likely to fail sooner rather than later.

When it comes to plumbing, most UK homeowners choose to be reactive rather than proactive, with few opting to replace an ageing system and most waiting for it to fail first. The net effect of widespread apathy is increased claims frequency and severity, as borne out by ABI statistics. In 2018, water escape accounted for 30% of all domestic household claims – a dramatic increase of 21% from 2014. But insurance too has traditionally been a passive solution, working on the premise of repair and replace: a pipe bursts, we mend or change it, we restore the affected areas. However, given the increasing scale of the problem, to continue in that vein would be to ignore the issue. A more dynamic and proactive approach is needed to really tackle the problem.

Annually, escaped water is a circa £1 billion problem that requires a creative solution. Insurance, especially in the UK, has a long history of creativity in inventing solutions to large-scale problems. We believe that harnessing well-established smart home technologies which monitor properties and alert homeowners to unusual activity is the creative solution this particular problem

requires. Combining insurers vast risk experience with the innovative technologies of leading smart home providers creates the kind of partnership needed to combat this issue and reduce frequency, severity and homeowner distress.

It also marks an important evolution in the role of insurance: don't just repair and replace, aim to predict and prevent. So, we have established the theory, we understand the problem and now it is time to create the solution. At the start of 2020, Horizon, the HNW insurance entered into a partnership with leading smart home technology provider, Hive. The vision is to push and lead the insurance market away from just being reactive over a monumental problem and one that is not abating. Horizon have made the innovative decision to include a Hive Leak Sensor with all of their high value home insurance policies so that they can help client's remove or at the very least reduce the risk of damaging water losses.

In addition, Horizon will waive the excess for Escape of Water claims if the Hive Leak Sensor is connected and operational at the time of the incident. We want client's to be informed and have the power to act when there could be a problem in the plumbing systems in their homes, avoiding the horrendous circumstances of damaged contents and the loss of irreplaceable heirlooms. Horizon are forging the way in a proactive measure with leading technology to help not only tackle this problem, but drive industry change.

RACING AHEAD

**Proud to be associated with
the superstar racehorse
Cornerstone Lad**

Article by Wayne Johnson

The Micky Hammond trained delegator gelding has already won 8 times and been placed a further 14 times in his 26-race career.

The highlight of his career to date was his sensational victory in last November's Grade 1 Fighting Fifth hurdle at Newcastle where he defeated the dual champion hurdle winner Buveur d'Air in a thrilling photo finish.

Now, the highest rated hurdler in the North he most recently ran at Haydock in the New One Unibet hurdle, finishing a close 3rd giving weight to Ballyandy and Pentland Hills.

It is now all systems go for a tilt at the Cheltenham Champion hurdle on 10th March. He goes there as the sole Northern representative and in with a serious chance of lifting the Blue Riband event.

We wish him and all of his connections the very best of luck and of course, we will be cheering him on every step of the way.

