

## Interview...

### INTERVIEW WITH ARNAUD AQUIZERATE, DIRECTOR OF ART AUCTION GUARANTEE

**A**uction sales still remain a risky experience for collectors. Though auctions' records are what everybody dreams of, the risk of not reaching the reserve price or resting with a "bought-in" remains an undeniable threat. In order to overcome a natural fear of risk, Art Auction Guarantee comes up with solutions for collectors who are not ready to gamble. AMA met with Arnaud Aquizerate, Art Auction Guarantee's director.



*Photo: Arnaud Aquizerate, director of Art Auction Guarantee*

#### **Can you please introduce your company?**

Art Auction Guarantee insures sellers as well as buyers taking part in an auction. The company was created at the beginning of 2012 in Los Angeles and its London office has recently opened so as to be closer to our European clients.

Art Auction Guarantee emerged from the following conclusion: On the one hand, auction preparations are long and complex, thus the outcome remains uncertain. On the other hand, sale failures could have serious consequences and a negative influence on future sales. Indeed, arrangements spread over a long period of time are indispensable to prepare and publish a catalogue, to plan the transportation, stockage and assurance of items; everything in exchange for a very uncertain result. Let us have a closer look at 2012, the rate of unsold items was around 20% with important inequalities between sessions. While photography sales benefit from a lower ratio of unsold items (around 10%), Great Masters' sales surprisingly do not share this privilege (unsold rate around 40%).

Besides an unsold item will not be easily forgotten. Numerous data sources, such as Artprice or Artnet, remind us of every unsold item's unpleasant aftertaste, that leads to a serious rating decrease. In short, the risks of all direct and indirect costs related to the auction's failure will never be equal to the costs of our service and this is the logics of insurance!

#### **How exactly does this works?**

For a seller: we guarantee a reserve price for an item, that is in fact the minimal price for which the seller is willing to sell his object.

For a buyer: if the object was purchased within less than 24 months, we guarantee its sale value, under the restriction that it corresponds with its market's value range, for a period of twelve months.

#### **What kind of objects are you targetting?**

As far as price is concerned, we assure mainly artworks of reserve prices higher than \$10,000. Even if we happened to insure a good amount of

items where individual estimations were lower, the final estimate was around \$20,000. Indeed, insurance logics push us to privilege an assembly of objects rather than one, even outstanding, item. Concerning the sums ceiling, we are comfortable up to \$500,000, but theoretically we are capable of covering up to \$1.5m, a point from which the auction houses offer insurance as a rule. It is important to stress that we do not wish to become their competition. We are based in common interests of auction houses and their clients. We are truly interested in a sale's success. Concerning styles and mediums, we insure works by Great Masters as well as contemporary artists, 18<sup>th</sup> century furniture, designs and wine collections. It is worth noticing that we are more and more solicited to insure Chinese artworks.

#### **Apart from these criteria, are there any other standards?**

The object's authenticity is our sine qua non. We rely on the guarantees delivered by the sellers and the ones from the auction houses.

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In addition, we keep a close eye that the reserve price corresponds with the object's actual market value range.

### **How do you know if the estimations correspond with the object's market value?**

Our analysis relies on the results of past auctions; if necessary we compare the results achieved by similar artworks. First of all, we look for a price expertise rather than historical-artistic one. That is why, in case of track-record's absence of a young artist, we prefer not to get involved.

### **Could you describe your actual clientele and the customers that are your target?**

80 to 90% of our clients consist of American and Canadian individuals. With recent opening of our London office, we made a first step in Europe

that could potentially be reinforced by our other office in Paris. Asia is also an area which we seriously take into account, but the risks concerning fakes as well as the lack of the market's transparency convince us to remain prudent. Nevertheless Hong-Kong is our potential spot in Asia.

Apart from geographical diversification, we look for institutions willing to work with us. Currently we are developing special partnerships with auction houses, that at the same time allow them to enlarge their offer. Likewise, art traders, because of their close relation to important customers, are excellent partners for us. Besides traditional actors of the art market, our offer is directed to financiers. Indeed, our products aim to protect our clients in the best possible way from the imperfections of the market, we are in fact the choice of many fortunes and investment funds managers specialised in art.

### **After a year of existence and one term on the market, how do you evaluate your activity?**

To date, the assessment is very reassuring. We insured objects worth over \$600,000, equal to over 70 items. The recent opening of our London office and projects of geographical expansion indicate that there is a large market to be explored. In addition, our privileged access to high-quality pieces, put us in fact on the underwriter's position. Indeed, some of our clients hire us to mediate in the transaction, skipping traditional art traders. This sidetrack activity, that has only just started, allows us to gather a wallet of works and collectors with great potential. ■