

§ 1160.6 Application for indemnification.

An applicant for an indemnity shall submit an Application for Indemnification, addressed to the Indemnity Administrator, National Endowment for the Arts, Washington, DC 20506, which shall described as fully as possible:

- (a) The time, place, nature and Project Director/Curator of the exhibition for which the indemnity is sought;
- (b) Evidence that the owner and present possessor are willing to lend the eligible items, and both are prepared to be bound by the terms of the indemnity agreement;
- (c) The total value of all items to be indemnified, including a description of each item to be covered by the agreement and each item's value;
- (d) The source of valuations of each item, plus an opinion by a disinterested third party of the valuations established by lenders;
- (e) The significance, and the educational, cultural, historical, or scientific value of the items to be indemnified, and of the exhibition as a whole;
- (f) Statements describing policies, procedures, techniques, and methods to be employed with respect to:
 - (1) Packing of items at the premises of, or the place designated by the lender;
 - (2) Shipping arrangements;
 - (3) Condition reports at lender's location;
 - (4) Condition reports at borrower's location;
 - (5) Condition reports upon return of items to lender's location;
 - (6) Security during the exhibition and security during transportation, including couriers were applicable;
 - (7) Maximum values to be transported in a single vehicle of transport.
- (g) Insurance arrangements, if any, which are proposed to cover the deductible amount provided by law or the excess over the amount indemnified;
- (h) Any loss incurred by the indemnitee or participating institutions during the three years prior to the Application for Indemnification which involved a borrowed or loaned item(s) or item(s) in their permanent collections where the amount of loss or damage exceeded \$5,000. Details should include the date of loss, nature and cause of damage, and appraised value of the damaged items(s) both before and after loss;

(i) If the application is for an exhibition of loans from the United States, which are being shown outside the United States, the applicant should describe in detail the nature of the exchange of exhibitions of which it is a part if any, including all circumstances surrounding the exhibition being shown in the United States, with particular emphasis on facts concerning insurance or indemnity arrangements.

(j) Upon proper submission of the above required information an application will be selected or rejected for indemnification by the Council. The review criteria include:

(1) Review of educational, cultural, historical, or scientific value as required under the provisions of the Arts and Artifacts Indemnity Act;

(2) Certification by the Secretary of State or his designee that the international exhibition with eligible items under § 1160.4 is in the national interest; and

(3) Review of the availability of indemnity obligational authority under section 5(b) of the Arts and Artifacts Indemnity Act (20 U.S.C. 974).

(Approved under OMB control number 3135-0094) [56 FR 49848, Oct. 2, 1991; 56 FR 51842, Oct. 16, 1991. Redesignated at 60 FR 42465, Aug. 16, 1995, and further redesignated and amended at 73 FR 21056, Apr. 18, 2008]