

Insurance Appraisal Review by **ASPERTA**

Objectives

- Provide the risk manager cost-effective, objective, and credible review of building replacement cost estimates generated by carriers, agents, real estate appraisers, or others.
- Provide a cost-effective alternative to on-site appraisals by converting data from real-estate appraisals, loss control reports, reserve studies, or other detailed reports into credible estimates of building replacement costs.

Background

- Risk Managers are often encouraged or required to provide appraisals to substantiate reported building values with the application. Too often, appraisals completed by agents or real-estate appraisers do not reflect 100% replacement cost estimates needed for insurance decisions. Common issues include:
 - Estimates generated using “new construction” rather than “reconstruction” cost basis
 - Use of out-dated cost guides
 - Inaccurate details: exterior wall material, gross perimeter, story height, etc.
 - Missing details: garages, sprinklers, elevators, balconies, dock levelers, etc.
 - Inappropriate deductions: foundations, architects fees and permits, contractor overhead & profit, etc.
 - General Contractor estimates left over from new construction files may exclude finish work: interior finish, alarms, sprinklers, etc.
 - ***The net result can be an “appraisal” that is 30-40% below 100% replacement cost!***
- Risk Managers may have old appraisal documents or other detailed reports available that contain descriptions of building characteristics. These may be adequate for generating a high-quality building replacement cost estimate without the need for a new (more expensive) on-site survey.

The **ASPERTA** Process

1. We thoroughly review the available documents; checking for appropriate data sources, assumptions, and internal consistency.
2. We cross-check the estimates against one or more building replacement cost tools.
We follow best practices and use the same software used by the carriers’ underwriters.
3. We deliver high quality documents ready for submission to the market.

Costs

Costs are quoted for each project. Cost factors include:

- * consulting time,
- * type and format of source documents, and
- * transaction fees.

Prices start at \$250 per hour with discounts based on volume.

ASPERTA competitive advantages

- Objective
- Credible
- Efficient

Contact Information

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