



WHAT YOU NEED TO KNOW ABOUT ASSET APPRAISALS FOR INSURANCE PURPOSES

One of the most common oversights a company can make is underinsuring their business by relying on book costing or incomplete or outdated assessments to determine replacement values for fixed and removable assets and leasehold improvements. The well placed intention of trying to save a nominal cash outlay today, can lead to major financial and operational hardships in the event of a catastrophic or partial loss.

The benefits of obtaining professional, third party appraisals to establish true Replacement Value or Actual Cash Value (depending on actual coverage) far outweigh the costs. The current trend toward declining premiums means an appraisal can be obtained for near net-zero insurance cost year over year. Adequate insurance coverage is an investment in the future operational health of your company.

TOP 5 REASONS COMPANIES DON'T HAVE THEIR BUSINESS ASSETS APPRAISED

1. It costs too much.
2. We're pretty sure we've got adequate coverage already, why bother with an appraisal?
3. It's just the insurance company trying to get more money.
4. We'll probably never have a claim, so the appraisal is really worthless.
5. It's too disruptive having an appraiser poking around our operations.

TOP 5 REASONS YOUR COMPANY SHOULD

1. The cost of the appraisal is mainly determined by how much on-site time is required to review the assets and provide detailed listings and values for the primary assets and aggregate valuations and descriptions of secondary assets and leasehold improvements. While an asset appraisal will cost more than a building appraisal due to the detail involved, it can cost less than \$500 for a retail operation. We will readily provide a quote over the phone with just a few simple questions.
2. Book values don't take into account fluctuating market conditions, supply chain issues, nor can they value functional importance to productivity. A current appraisal provides an accurate replacement value that considers the age, availability, condition and importance of the equipment to the operation. This value will almost always be higher than the book value. **Companies that rely on book values are almost always underinsured.**
3. Wrong! The insurance company is not paid a penny for the appraisal. All of the fees are retained by the appraiser for professional services as an independent contractor. In fact, if you do have a current third party appraisal on file, most insurance companies will offer a Stated Amount Coinsurance clause thereby eliminating any penalties or under-insurance, potentially saving you thousands of dollars.
4. You're right, you'll probably never have a claim. But that's not why you carry insurance. In the event of a claim, the appraisal provides assurance that you will get the maximum claim amount in the shortest time as there has been third party verification of the assets and their value. The claims adjuster can use the appraisal to more efficiently settle your claim.

Even if you never have a claim, your appraisal can still be valuable. We'll discuss options with you to provide additional valuations in your appraisal report that can be used to secure investment or bank financing; to find a buyer for a particular asset or the entire company; and to settle potential disputes. One appraisal report can cost-effectively address multiple business needs.

5. The on-site review can take as little as 15 minutes and up to several hours depending on the size of your operations and the amount of detail required in the appraisal report. Your on-site company contact will only need to answer a few simple questions and ensure access for the appraiser.

TOP 5 REASONS TO USE TIMELINE ASSET SERVICES FOR YOUR ASSET APPRAISAL

1. Hundreds of satisfied clients and 20 years experience with the expertise to appraise equipment across all industries and asset classes. TAS has a reputation for professionalism and accuracy and will gladly provide references upon request.
2. The fastest turnaround in the industry: we will generate your appraisal report within 2 business days of our on-site visit complete with photo gallery if required.
3. Renewal update option reported to you and your insurer included in the appraisal fee
4. Additional services include: asset tracking, asset acquisition/divestiture, inventory review.
5. Value, Integrity and Reliability.

PLEASE SEE OUR COMPANY BROCHURE FOR ADDITIONAL INFORMATION ON:

- Our Company
- Our Clients & Service Pledge
- Our Expertise
- Our Appraisal Process

VISIT OUR WEB SITE FOR:

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- Current Fee Schedules
- Appraisal and Valuation Information
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