

Agenda

Appraisal Roundtable Forum - March 22, 2014

Appraisal Procedures

- Evolution of the Appraisal Clause *The Times They Are A-Changin'*
- Depreciation
 - Is depreciation a Coverage issue or a Loss & Damages issue?
 - Consideration of functionality, not just age, for deprecation
 - Should you depreciate: 'Labor & Material' **OR** 'Material Only' **OR** 'Overhead & Profit' **OR** 'Sales Tax'
 - Can anything be depreciated 100%?
 - Comparing 'True ACV' to 'Common ACV'
- Coinsurance valuation
 - Full restoration cost (plus demo?); replication/new cost; real estate market value (less land)
 - Is 'property not covered' excluded from valuation? i.e. foundations, paint & waterproofing
 - Would you apply a straight percentage against 'RCV value' to determine 'ACV value'?
- Does overhead & profit include supervision?
- Panel to address **ONLY** differences and not entire scope/estimate
- Undiscovered Scope - Can it be appraised or must it go back to carrier for adjustment?
- Do receipts and/or vendor proposals trump an estimated amount?
- Battle of the 'Expert Reports'
- Emerging technologies - photovoltaic solar, green building materials, LED lighting, home automation, etc.
- The impact of Social Media groups on appraisal issues (LinkedIn, Yahoo, & Google groups)

Payment of Umpire's Bill

- Umpire Rate Agreement
- Request a retainer from **both parties**.
- Withhold the award/decision until bill is paid. (Violates WIND Umpire Code of Ethics)
- Collections Options: Third Party Debt Collector, Attorney, Credit Reporting Bureaus
(For Individual Debtors: Equifax, Experian, TransUnion For Corporate Debtors: Dun & Bradstreet)

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Legislative & Regulatory Changes

- Florida SB 708 – Umpire disqualification for conflicts of interest
<http://www.flsenate.gov/Session/Bill/2014/0708>
- Florida Statute Chapter 553.912 Air conditioners (revision effective July 1, 2013)
. . . It is the intent of the Legislature that all replacement air-conditioning systems in residential applications be installed using energy-saving, quality installation procedures, including, but not limited to, equipment sizing analysis and duct inspection. Notwithstanding this section, existing heating and cooling equipment in residential applications need not meet the minimum equipment efficiencies, including system sizing and duct sealing.
<http://www.flsenate.gov/Laws/Statutes/2013/553.912>

Miscellaneous

- Appraisal Case Law Updates
- Licensing & regulation of Appraisers and/or Umpires

Louisiana: Appraisers and Umpires must be registered
<http://www.lidi.state.la.us/Licensing/Producer/AppraiserRegistration.html>

Texas: Umpires for TWIA claims must be registered
Application - <http://www.tdi.texas.gov/forms/form17general.html>
Umpire Roster – <http://www.tdi.texas.gov/commercial/pctwia.html#assist> click 'Appraisal Umpire Roster'

Virginia: Appraisers and Umpires must be residents of Virginia, unless otherwise agreed to by the parties
<http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+38.2-2122>

Handouts

- 01 Agenda
- 02 Attendee Roster
- 03 Appraisal Clause Examples
- 04 Case Law Updates
- 05 Umpire Rate Agreement
- 06 Florida SB 708 – Umpire Disqualification
- 07 NAHB Study of Life Expectancy Components
- 08 TWIA Depreciation Factors
- 09 Xactware Depreciation Information
- 10 Xactware Whitepaper - Overhead and Profit
- 11 "Accurate Outcomes in Appraisal - The Importance of the Umpire's Subject Matter Expertise"
- 12 "Is a Coinsurance Penalty Based Upon ACV or RCV?"
- 13 "Residential Solar Panel Coverage Issues"
- 14 Restoration Contractor Fined \$30,000 for Lead Paint Violations
- 15 Recent EPA Lead Paint Enforcement Actions
- 16 EPA Seeking Data To Assess Need For Commercial Lead Paint RRP Rule
- 17 Order Form – "Law and Procedure of Appraisal" by Jonathan Wilkofsky
- 18 BONUS Social Media Explained