

Property Valuation Checklist

Coverage/Risk Management Question	Y	N	Notes
General Questions			
What is the ACV and Replacement Cost of the ⁽¹⁾ : <ul style="list-style-type: none"> • Building: • Contents: 			
Is "stock" to be valued at ACV or RCV?			
Does insured hold a large amount of personal property of others? ⁽²⁾			
Has a statement of values been completed and signed by the insured?			
What calculation method(s) were used by the insured to establish the value of the contents (tax basis, market value, or cost to replace)?			
Has an appraisal of the property (real or personal) been completed in the last five years?			
Has a real property replacement cost estimator been completed? When?			
Property Use/Future Value			
If the building were destroyed, will the insured use different construction materials? ⁽³⁾			
Will/can the insured rebuild the same square footage?			
Will/can the insured rebuild at the same location?			
Does any equipment/machinery have insured-installed modifications or upgrades?			
Any vacant property owned by the insured?			
What are the future plans for the building?			
Ordinance or Law Information			
Which rule does the jurisdiction use to define major damage? ⁽⁴⁾ <ul style="list-style-type: none"> • Jurisdictional Authority Rule: • Percentage Rule: 			
How much damage would trigger jurisdictional intervention? (% or \$)			
Age of the building?			



Property Valuation Checklist

Coverage/Risk Management Question	Y	N	Notes
Ordinance or Law Information - Continued			
Have there been updates to the current building codes listed below(describe/when): ⁽⁵⁾ <ul style="list-style-type: none"> • Life safety codes • ADA requirements • National Electric Code requirements • Flood Plain Management requirements • Heating • Plumbing • Roofing • Fire Protection • Other jurisdictional codes 			
Is the building protected by a Historical Society? ⁽⁶⁾			
Contents and Stock			
What is the average monthly value of “stock” on hand?			
Do “stock” values fluctuate more than 25 percent above or below the average in any one month? When? ⁽⁷⁾			
Certain property is subject to special coverage limits; does the insured need increased coverage for: <ul style="list-style-type: none"> • Outdoor property (\$1,000) • Property off premises (\$10,000) • Personal effects (\$2,500) • Electronic data (\$2,500) • Valuable papers & records (\$2,500) • Outdoor signs (\$1,000) • Theft of jewelry, furs (\$2,500) • Theft of patterns, dies or molds (\$2,500) 			
Any contents or stock hard to value (donated items, consigned items, etc.) ⁽⁸⁾			

- (1) ACV= Replacement cost at the time of the loss minus **physical** depreciation.
- (2) Bailee coverage (an IM coverage) may be necessary if the insured holds property of others.
- (3) Functional Replacement Cost endorsement may be necessary
- (4) **Jurisdictional Authority Rule:** Allows the authority having jurisdiction (the local government) to decide when a damaged building must be brought into compliance with the current building code.
Percentage Rule: A building damaged beyond a certain percentage of its value or square footage must be brought, in its entirety, into compliance with local building code.
- (5) If the structure is more than five years old, it is likely to be out-of-compliance with the current building code.



Property Valuation Checklist

- (6) Historical societies can drastically increase the cost and time to rebuild. Must consider the increased cost and the additional period of restoration for business income coverage.
- (7) Insured may want to consider either a value reporting form endorsement or a Peak Season Limit of Insurance endorsement.
- (8) Hard-to-value stock and/or contents may lead to an appraisal process following a loss.

Information for this checklist taken from [Property and Casualty Insurance Concepts Simplified](#).

