

APPRAISAL STRATEGIES FOR PROPERTY CLAIMS

TIMED OUTLINE

A. Overview of Appraisal Provisions (5 minutes)

B. Demanding/Responding to Appraisal (25 minutes)

1. What claims are appropriate for appraisal?
2. When is the demand premature?
 - a. Strategies for responding to a premature appraisal demand.
 - b. Can/should the carrier object to appraisal?
3. Did the insured unreasonably delay in demanding appraisal and has the right to appraisal been waived?
 - a. Delay normally measured from the point of “impasse.”
 - b. Discussion of what constitutes an “impasse.”
 - c. Discussion of what constitutes an “unreasonable” delay.

C. Steps to Ensure a Successful Appraisal (25 minutes)

1. Selection of competent, experienced and impartial appraisers.
 - a. Preventing claims of bias.
 - b. Objecting to the insured’s selection of appraiser.
2. Selection of competent, experienced and impartial umpires.
 - a. How “competent” does the umpire have to be? Can the umpire be an attorney that has no experience evaluating property damage?
 - b. Preventing claims of bias.

D. Managing the Appraisal Process (25 minutes)

1. Bifurcating coverage issues from damage issues.
 - a. Ensuring that the appraisal panel understands the bifurcation by providing detailed protocols.
2. What is a “coverage” issue?

- a. When is the cause of the damage a coverage issue?
 - b. What if both covered and uncovered perils combine to cause the loss?
 - c. Is the appraiser restricted to assigning a value only to the amount of loss caused by a covered peril?
3. Strategies for preventing a “split the estimates” award.
 4. What are a carrier’s rights and duties upon entry of an appraisal award?

E. What Can You Do With A Poor Appraisal Award? (10 minutes)

1. When will the court set aside an appraisal award?
 - a. Was there an error in calculating the award?
 - b. When is the bias significant enough to set aside an appraisal award?
 - c. Did the award exceed the scope of the appraisal?