

INSURANCE VALUATIONS

GENERAL

- Background

- original Certificate 1970s
- review of report 1993

- Practise Standards

- New Zealand – NZVGN 2
- Australia
 - elemental component
 - consider upgrade costs
 - review policy document
 - addendum dealing with New Zealand issues

MAIN ISSUES FOR VALUERS

- **Estimate or Full Elemental Assessment**
 - industry expectations
 - qualifications to assess cost
 - purpose of assessment
 - overvalue/undervalue

- **Calculation of Indemnity Value**
 - Fire Service Act 1975
 - interpretation by valuers – what does it mean
 - market value versus depreciated cost

- **Residential Valuations**
 - implication of Fire Service Act – does 8m curtilage apply
 - sum insured now extended to include many “other improvements”
 - changes to Retirement Code of Practice requires consideration of all infrastructure
 - GST inclusive or exclusive
 - Valuation should explain what items are included and if obvious what items are not included

VALUATION FOR INSURANCE PURPOSES

Name of Client:

Address of Assets:

Asset Description:

Upgrade Requirements:

Age:

Use/Occupation:

Land Contour:

Subsoil Type:

Other Known Characteristics:

1.0 REINSTATEMENT

A. Reinstatement Estimate	\$XXXXXXXXXX
B. Inflationary Provision	\$XXXXXXXXXX

2.0 INDEMNIFICATION

A. Market Related Value	\$XXXXXXXXXX
B. Depreciated Replacement Cost	\$XXXXXXXXXX
C. Inflationary Provision (For the higher of 'A' or 'B' above during a 12 month insurance period if appropriate)	\$XXXXXXXXXX

3.0 FUNCTIONAL REPLACEMENT

Refer to valuation report/letter for the specification of the functional design

A. Functional Replacement Cost	\$XXXXXXXXXX
B. Inflationary Provision	\$XXXXXXXXXX

4.0 DEMOLITION ESTIMATE

\$XXXXXXXXXX

Name:

Qualifications:

Valuers Signature:

Valuation Date:

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| <p>(a) All figures quoted are exclusive of Goods & Services Tax, finance costs and other indirect costs.</p> <p>(b) All figures are exclusive of any allowance for land value.</p> <p>(c) This form must be read in conjunction with the definitions of terms on the reverse hereof.</p> <p>(d) The information in this report has been prepared to establish insurance values and may not be used for other purposes without the written consent of the Valuer.</p> <p>(e) All figures assume compliance with building regulations and bylaws.</p> |
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