



Different types of appraisals will establish different types of values. An appraisal used to obtain insurance coverage will yield a much greater value than an appraisal that will be used to determine liquidation value for an item. The following lists some of the different types of appraisals that you may need.

INSURANCE REPLACEMENT APPRAISAL

This is the most frequently requested appraisal that establishes the estimated retail value to replace the item. This value is generally the price that the item could be purchased in a retail store. However, there are some cases where there is a consistent secondary market for an item and the replacement value may be for a used item. A Rolex watch is a good example of an item that may be valued in a secondary market.

ESTIMATE TO REPLACE

This is a hypothetical appraisal that is performed without the item(s) actually being seen by the appraiser. The valuation is based on information provided by the individual or company requesting the appraisal. Photographs, if available, can be used to assist in identifying the item. These values are established at current retail and are usually for insurance purposes. They may also be used in restitution cases between two parties.

ESTATE APPRAISAL

These are used for tax reporting and are valued based on fair market in *the most common market*. This means that that an item may need to be valued based on information from another city, state or country depending on its most frequent availability. In the case where items from the same estate (real estate, furniture, vehicles, etc...) are being evaluated by different appraisers, then all of the valuations must be for the same date. Rules and regulations, as well as liabilities, regarding estate appraisals are extensive and require a great deal of diligence in their methodology.

DISTRIBUTION OF PROPERTY

These are usually requested by an individual preparing a will or by the executor of a will. It establishes a monetary value to make the dividing of an estate more equitable.

QUALITATIVE REPORT (IDENTIFICATION REPORT)

This is a report that will establish or confirm the identity of an item but does not establish a value.

CUSTOMS EVALUATION APPRAISAL

Customers that travel out of the country may be required to pay a duty on items when they return if they fail to declare them as they leave the country. A "Passport" appraisal is a smaller format document that can easily be carried in a wallet or purse. This type of appraisal establishes the country of residence of the item in addition to the retail replacement value.

BARTER APPRAISAL

Used when two parties are exchanging items (i.e. gems or jewelry for a car). Values are usually established at liquidation prices.

CASUALTY LOSS

Items that are lost or stolen and are not covered by insurance are occasionally eligible for tax deductions through the Internal Revenue Service if the loss meets required minimums (usually an amount above a specified percentage of an individual's income). Value is established as either depreciated fair market or at the original cost basis if documentation of that value is provided.

COMPARISON APPRAISAL

A customer may purchase an item at another jeweler and bring it in for value or identity verification. This would be current retail value.

DIVORCE (DISSOLUTION OF MARRIAGE) APPRAISAL

This type of appraisal should be accompanied by a contract prepared and signed by attorneys representing both parties that establishes the type of valuation to be used and that makes the determination binding with no recourse by either party.

DONATION AND GIFT APPRAISAL

These are used for tax purposes when an item is being donated to a charitable organization. Information regarding the actual amount paid for the item by the donor as well as the length of ownership is required. This type of appraisal not only establishes the amount of tax deduction based on fair market value, it also may create a tax liability if capital gains taxes are in force by the IRS at the time of donation.