

Items of Value, Inc.

A Full-Service Appraisal and Estate Sale Firm

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INVENTORYING AND EVALUATING YOUR POSSESSIONS

Suppose your home is robbed. It may be robbed not while you are away or on vacation but just while you are out shopping or running errands. You come home to find your cash and jewelry gone along with your audio equipment and CD collection. Suppose you move to another location. When unpacking you find that the baseball card collection is missing, the one you thought you should inventory someday because you heard baseball cards are increasing in value. Suppose you are refinishing an antique chest of drawers in your garage and leave the heat lamp on to keep the temperature constant while the chest dries. An old blanket you had stored with other things in the rafters of your garage falls down on the heat lamp, ignites, and the fire consumes your chest and the garage.

Following such events, you call your insurance company. They ask you to supply a list of everything that was stolen or destroyed. You will find you have a hard time remembering what you had. Then comes the even harder questions of when you purchased or acquired each item and what the value of each item was then and is now. Your insurance company will want you to furnish all this information.

To realize the importance of doing a thorough inventory of what you own, close your eyes and imagine you are walking into your bedroom. Open the top left drawer of your dresser and name everything that is in that drawer. Likewise, pretend to open the cupboard to the top right of your kitchen sink. Write down everything that is inside. This little test proves that even before a traumatic event happens, you have great difficulty remembering what you have.

People have amassed large collections of videotapes, CDs, DVDs, and audiocassettes which may represent a significant portion of their personal property. Insurance companies should encourage policy holders to photograph and count the collections of whatever they own. This may include CDs, Lladro figurines, wristwatches, limited edition prints, or other collectibles. Too often people complain that they believe their insurance company is trying to cheat them when they submit a claim. People do not realize that when they submit a claim, the burden of proof as to what they had, including condition and value, rests with them and not with the insurance company. It is not the insurance company's job to compile the list for you. Nor is it their job to supply you the values of your items. You are making a claim for compensation, claiming what you had. The insurance company will review your claim and make a settlement offer. If you feel their offer is too low, it is up to you to prove otherwise. The insurance company is not liable for compensating you if you cannot sufficiently prove what you owned or the value you claim for items now missing or destroyed.

If you had previously submitted an appraisal to your insurance company to cover specific selected items you own, your insurance company may call in an appraiser to review your claim and to review the appraisal for thoroughness and accuracy. Frequently, appraisals are too brief in describing some items so that the description provided is inadequate to support the value cited. Sometimes the value given is extraordinarily high and not justifiable by statements purporting the rarity of the item, or other statements supporting the value attested.

There are three steps everyone should take to help protect themselves before the loss, theft, or destruction of their possessions. First you should have a complete set of good photographs of everything you own. Photograph not only the furniture and other items you readily see as you walk from room to room. Open every

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closet, every cupboard, every box. Pull things out from under the beds. Go through the attic, garage, under stairs, and other storage areas. Photograph everything. The adage “A picture is worth a thousand words” could not be closer to the truth. Photographing everything you own is the quickest and least expensive way to document what you own. A good set of 35mm color photos, showing each item individually or groups of similar items grouped together, is preferable. Also take closeups to show details of an item because detail may contribute to value.

Magazine articles occasionally appear and TV and radio programs run commentaries recommending that you make videotapes of your possessions. This, of itself, is not poor advice, but most people do not know how to make a good videotape. There was an instance where just months before a multimillion-dollar fire in a public institution, three individuals had made video tapes of the interiors of the major rooms to show all the antiques and fine art. All three made the same common mistakes. They stood in one corner of the room and did a pan shot, then moved to a side of the room to do another pan shot. All three of them failed to photograph the antique chandelier hanging from the ceiling. All three shot over the top of a 19th century American mahogany sofa so that all could be seen of the sofa is their videotapes was the top 6” of the middle of the back. None of them focused on individual items in the room and none zoomed into an antique picture hanging on the wall. Therefore no one could determine if the picture was a painting or a print. None of the photographers bothered to open the cabinets that reportedly held antique glass and silver. There was no photographic evidence of those items to support the claim for their loss.

Another point to remember is that when you “freeze frame” a videotape to try to study an image, that image turns into dots. However, a color photo negative is easily blown up if you need to examine a photo in larger size. You should store the photographs somewhere off the premises after they are made. Do not make the mistake of keeping photos or videotapes in the same place where your items are. Photographs may burn up or be carried off in flood waters along with everything else.

If you are going to shoot a videotape of your items and do nothing else, treat your camera as a still camera and NOT a moving camera. This means you should shoot a picture of each item or group of similar items, then zoom in to shoot detail of each item, even turning the item around to get side and back shots if advisable before moving on to the next item. If you are photographing any object with a glass front such as a picture framed under glass or a clock face, you need strong light off to the side instead of in front. Otherwise your flash or floodlight will cause a “sunburst” on the glass. An alternative is to take items outside to photograph under natural light without a flash or floodlight.

The second step is to make a comprehensive list of everything you own. Too few people ever do this until it is too late. They see it as an overwhelming task so they never begin. You do not need to do this on computer. All you need is a lined pad and pen or pencil. The best way to get done is to give yourself a homework assignment to do a little at a time, perhaps two hours every Tuesday night until it is done, or one room a week, or all the furniture one week, all the silver the next week and collectibles the third week. The important thing is to put yourself on a schedule to do a little at a time until it is done and then you can see on your calendar that if you begin on a certain date, you will have the list completed in three to six weeks.

If you prefer, list items by room beginning with number one. When you begin the second room, keep the numbers increasing. If the last item in the living room was numbered 46, then number the first item in the next room is 47. For ease of reference, write the type of item first, followed by pertinent details. Examples are:

1. Sofa, 3-seater, floral damask, bought 1992 @ \$1,200
2. Photo, male/female couple (Mr. and Mrs. John Denzel), 1940s, framed
3. Bowl, sterling, by Reed & Barton, 6” d, bought @ \$265

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If you do not know or do not remember age or purchase price, leave that portion blank. Keep going and be as thorough as you can. Then send a photocopy of this list to your insurance agent and store a copy in a safe deposit box or with a family member or friend who lives elsewhere. You can go back to revise your list later. Again, put this on your schedule. Get it done.

The third step is to have an appraisal done on your items where you cannot prove value otherwise. If you have a current receipt for an item or it is something you can still order from a catalog or find in a store, you usually do not need an appraisal on it. However, states and insurance companies set limits on particular categories of items beyond which the insurance company is not liable to cover you without an appraisal. One such limit is \$2,500 on sterling silver. If you own a sterling flatware set of five pieces each setting for 12 people plus some service pieces, chances are you have over twice that limit. So, you need an appraisal in order to obtain a “rider”, which is extra insurance added to your general coverage for specific categories of items.

If you inherited items and cannot prove value, you need an appraisal in most cases to prove current value. If you got a good deal or significant discount on a purchase, the receipt may be inadequate to cover the true value, so you need an appraisal in this case too. Think of an appraisal as a record to prove value where you cannot prove value otherwise. A complete appraisal package should include a detailed writeup of each item or set of items being appraised, and a set of 35mm color photos. The appraisal description should be adequate to uniquely describe the item and sufficient to justify the value cited. The description should include dimensions of the item unless the item is an industry-standard size. It should also include a description of condition if the condition is anything less or more than what can be assumed normal for its age. The description should be sufficiently detailed to substantiate the value the appraiser assessed for the item.

Here are some cautions in hiring an appraiser and making sure the appraiser provides everything you need in the event you have to file a claim for damage, theft, or loss. Make a brief list of the types of items you think you need an appraisal on. Do they include categories where insurance companies have a dollar limit above which you need an appraisal? Do you have antiques (items at least 100 years old; motor vehicle at least 25 years old)? Do you have a lot of fine art? Will the appraisal include photos? How does the appraiser charge? Is the appraiser qualified to appraise all of the types of items you have? Will the appraisal require extended research on any items? How long will it take to receive the completed appraisal? When you receive the appraisal, review it to be sure it is signed and dated, and that the appraiser’s name, contact address and telephone number appear. Review each item description for accuracy (as much as you can) as well as the value cited. If you think there are discrepancies, bring this to the appraiser’s attention for clarification or correction.

To review, remember that the burden of proof of what you own rests with you, NOT your insurance company. The quickest and least expensive way to prove what you have is to photograph everything, absolutely everything. Then do a written inventory with descriptions and values to the best of your knowledge. Follow with a formal appraisal done by a qualified appraiser on selected items. Finally, send a copy of your inventory and appraisal to your insurance company and store another copy, along with photos, somewhere other than where the items are. Your insurance company will advise you when they require an updated appraisal. Finally, as you acquire more items (if you are in what we call the “acquisition phase” of your life), photograph them and record them in a file or folder and give your insurance company an update every year or two. Keep track of what you own, get insurance coverage, and enjoy what you have.

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