



WHY YOU NEED AN IRV VALUATION

Why You Should Have Your Jewellery Valued

Most valuations are undertaken for insurance replacement purposes, but there are a number of other reasons why you may seek your valuer's assistance in connection with a valuation. This leaflet may help to explain and clarify the different purposes of a valuation document, and to ensure you obtain the most appropriate type of schedule for your needs.

Insurance Valuation

This is the typical type of valuation sought, and is compiled on the basis of what a broadly similar article will cost to replace in the unfortunate event of loss or damage. The figures represent average retail prices in the usual, local market. If the valuer who undertakes the valuation is a retailer he will usually be considered as that source. The description should be full and adequately detailed to enable a comparable article(s) of similar quality to be obtained in the event of a claim being submitted to your insurer.

Probate Valuation

A valuation for probate purposes may be required upon the death of the owner of jewellery and other valuables, in order to be submitted to legal representatives winding up the estate; possible liability for death duties may ensue. The values stated represent much lower values than for an insurance valuation, and are based upon an open market assessment of their worth at the time of death. The schedule will, typically, contain less descriptive detail.

Private Sale

This type of valuation applies where one wishes to sell an article of value to an individual privately, and needs to know what is a reasonable price to ask for it. The willing buyer/willing seller situation requires the valuer to take into account many factors affecting value, but ultimately providing a figure that is reasonable to both parties in the equation.

Divorce/Family Division

This class of valuation is becoming more common today, unfortunately, and reflects the reality of the breakdown of so many marriages and relationships, often resulting in the intervention of the legal system. Your valuer will be able to help in these stressful times by undertaking a valuation, assessing the worth of the couple's assets for consideration by the Court.

Other Valuations

Your valuer may also be able to help you with valuations for **Capital Gains Tax** purposes or for **Disposal** if you wish to sell the goods; indeed, if you require advice for a special reason, please feel free to discuss the requirements with your valuer.

INSURANCE MATTERS

It may not be widely understood that the onus is on the owner of property to prove the worth of his/her property in the event of submitting a claim to insurers following a loss. Insurers are not duty bound to accept old or poorly described schedules or other scant evidence of value that is sometimes submitted to them by claimants.

Only by supplying to insurers an up-to-date insurance schedule prepared by a competent valuer, preferably by a **National Association of Goldsmiths' Institute Registered Valuer**, can one be sure to be in a position to establish a valid and provable claim.

So, a current valuation schedule can help to:

- Provide a full inventory of all items of value owned. Even items of relatively low value can be included in this checklist.
- Establish ownership in the event of recovered property being claimed.
- Establish the merits of replacement goods in the event of a claim.
- Provide a sound foundation on which to base a claim to insurers.

Provenance is an important part of valuing so expect to be asked to provide receipts, previous valuations, HM Revenue & Customs duty declarations, etc.

In the case of period or antique jewellery and other articles not easy to replace on the normal retail market, valuers will take a different approach and will provide a value based on the concept of 'open market' values. Here the appropriate type of marketplace for replacement articles may be markets or auctions, or even specialist dealers, to provide suitable sources for reaching accurate values. It may need to be specified to the insurer when insurance is taken out or a policy renewed that, in the event of a claim, a like-for-like replacement may not be feasible. It may be that insurers sometimes consider a cash settlement in such cases, or may offer an alternative course of action.

Only by providing a current valuation schedule in the event of a claim can owners be sure they will be able to substantiate their claim and have the peace of mind that provides. Anyone who has ever tried to put through a claim with little or no good documentary evidence of worth can testify to the difficulties faced to get any kind of settlement, which usually falls well short of their expectations!

Your **N.A.G. Institute Registered Valuer** understands your needs as well as your insurers' perspective, and will provide the peace of mind that is the bedrock of insurance. Remember too that if you do make a claim that it may be **your right** to choose the jeweller to supply replacement goods (see our notes on our website about insurers' right to replace) – *check your policy before you sign*; do not be bullied into either accepting being told to whom you have to go for replacement articles, or accepting offers to replace through catalogues.

Finally, it makes good sense to obtain special insurance for goods such as jewellery because of the portable nature of such goods. It is sensible to insure on an 'All Risks' basis rather than rely on a household contents policy. This may be more expensive in the short term, but will certainly provide better cover and prove more efficacious in the longer term. Your valuer may be able to recommend a suitable specialist insurance broker.

OTHER VALUATION SERVICES

After purchasing a valuable item from your jeweller, please ask him for a **post-sale**

document to enable you to obtain cover for insurance or to enable you to add it to your existing policy. Such a document is not a full valuation for insurance, but an abbreviated version, specifically prepared for this purpose based on stock record descriptions.

You may have been unlucky enough to have suffered a burglary, and in this case if your old valuation is not up-to-date, your insurer will ask you to obtain more current values before accepting any claim. Discuss this with your valuer who will be able to provide a **post loss assessment** based on your descriptions and available data. This is a service which needs to be undertaken professionally and thoroughly if the insurer or loss adjuster is to accept it, and is a service that is normally charged for today.

FEES

Whatever type of valuation is requested, your valuer will make only a modest charge for the service, giving you considerable peace of mind for a relatively small cost. The fee is usually based on a percentage charge, or, alternatively, either a time-based fee or a per-item charge. Post loss assessments are usually charged on a fixed fee or according to the time spent on them for more substantial cases. *Your valuer will be happy to discuss his fees with you.*

WHO SHOULD VALUE YOUR JEWELLERY?

A valuation is an informed opinion based upon many years of experience allied to formal training in gemmology and other specialist areas of product knowledge. Valuations need to be undertaken today to a very high standard; the highest level is represented by the National Association of Goldsmiths' Institute of Registered Valuers. All **N.A.G. Institute Registered Valuers**, who currently number about 300+ throughout the United Kingdom, have proved their expertise to their peers, with formal gemmological qualifications and substantial experience within the industry. They must also conform to the requirements of equipment for gem testing/grading and hold a thorough library of reference material.

Valuations carried out by a **N.A.G. Institute Registered Valuer** will be undertaken professionally to the prescribed standards and ethically, and liable to routine monitoring by the Association itself to maintain those standards, and will include:

- Cleaning of the jewellery
- Detailed descriptions
- Details of the assessment of diamonds
- Hallmarking information
- Condition statement
- Provenance or research, if appropriate
- Visual images, usually digital
- Values with the appropriate type of insurance qualification

Look out for the **N.A.G. Institute of Registered Valuers' logos** – the symbol to trust
If you have any questions about valuations, ask your valuer who will be only too happy to discuss the matter with you – you can rely on his judgment!

