

# Commercial Lines Valuation Requirements

To promote the use of consistent and accurate valuation methods, the following guidelines apply to all commercial appraisals and alternative valuation reports:

## Professional Qualifications

- **Licensed Appraiser:** Appraisals can be completed by Florida licensed residential or general appraisers.
- **Other Qualified Professional:** Alternative valuation reports can be completed by other qualified professionals who provide certification of related experience.

## Required Elements

- Construction analysis
- Photos
- System-generated worksheets
- Date of appraisal
- Appraiser's name and license number or other qualified professional's name and certification statement:

I, *(individual name)*, of *(company name)*, certify that I am qualified and have experience in the field of commercial property inspections, commercial risk assessment, and commercial property replacement cost valuation.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Position / License Number (if applicable): \_\_\_\_\_

## Additional Details

### Construction Analysis

At a minimum, the construction analysis should confirm the year built, building area (provide both the enclosed area and the area of open balconies and walkways), number of stories, construction elements of the foundation, floors, walls and roof, building occupancies, number of units, and all building systems and features necessary for the development of an accurate replacement cost estimate (examples: sprinkler system, elevators, etc.).

### Photos

Provide clear, color images reflecting a current and complete view of the subject property. While representative photos may be included for similar buildings and building interiors, photographs of any existing damage should be supplied.

### System Generated Worksheets

- **Industry Standard Source:** The software used to develop the valuation estimate must be a tool designed for insurance replacement-cost purposes and must be the most current version of that tool (examples: Xactware 360Value®, MSB BVS replacement cost, MSB Commercial Express reconstruction cost).
- **Report Source:** Valuation worksheets must be provided in the form of unaltered system-generated reports. Manually calculated estimates and appraiser developed spreadsheets will not be accepted.
- **Occupancy:** The occupancy type used to generate the valuation estimate must be the most accurate selection available for the described occupancy, as per the definitions of the selected software system (example: a residential condominium should use the occupancy *Condominium, w/o Interior Finishes* in the MSB BVS software).
- **Detailed Report Format:** Only full, detailed report formats will be accepted. Reports must reflect architect fees and overhead and profit as line items.
- **User Adjustments:** In general, no adjustments should be made to architect fees, labor and material costs, overhead and profit, or construction quality. When deemed necessary, adjustment to line items such as these, as well as any cost modifications made via user adjustment factors, must be fully documented on a report addendum. Documentation should include a detailed explanation for the adjustment and supporting data to substantiate the cost change.

### Date of Appraisal

Valuation reports must be less than 12 months old to be considered currently valued.