

SEVEN THINGS TO CONSIDER BEFORE HIRING AN AUTO APPRAISER.

Hiring the right appraisal professional is very important as the fate of an insurance claim depends primarily on their qualifications, reputation and credentials. Below are seven points to consider before hiring a car appraiser.

1. Do not hire a Body Shop Employee or Someone Recommended by a Body Shop

Many appraisers pay \$50 to \$150 in referral fees to body shop employees to capture a customer. Financially speaking, the appraiser is more inclined to satisfy the body shop from whom the majority of their business derives from (or work for) than you. Besides, these appraisers may overlook repair issues (more about this in point #7).

2. Fixed Pricing Schedule

Appraisers are not attorneys, period. They cannot give legal advice or collect a percentage of the proceeds. Do not hire an appraiser who's quoting you a price that is proportional to your claim's value or offers to receive a portion of your proceeds. The appraiser must have a clear pricing schedule with simple terms of service.

3. Refund Policy

An immediate red flag should be raised if an auto appraiser refuses to take a credit card and only wants a check or cash. In addition, an appraiser should provide you a copy of his refund policy.

4. Professional License / Expert at Trial

Don't hire an appraiser who doesn't have a business license, a professional license or someone who doesn't carry liability or E/O insurance. You can check if your appraiser is licensed by looking them up on the Office of Insurance and Safety Fire Commissioner's website.

In addition to a valid license, an appraiser must have auto industry experience, merely working at a collision shop or inspecting cars is not enough. A car appraiser is a mix between a CPA, a mechanic and a car dealer. Only hire a car appraiser with the proper credentials and bona fides.

Some appraisers take pride in the fact that an insurance carrier has never hired them, in fact, not being utilized by an insurance company means that they're not competent enough or have a professional license.

An appraiser should always be independent and have a published appraiser method that's applicable regardless who hires him.

Lastly, for your appraiser's testimony to be recognized at trial, a judge must admit him as an expert. Ask your appraiser if he's ever been to trial, how many times, if he's been recognized as an expert (or excluded) and how many times his side has prevailed.

5. Beware of Fraud and Appraisal Bumping

If an appraiser offers to change his amount or inflate his appraisal as to accommodate a "negotiation margin", he's committing insurance fraud. His assessment should be good enough on its own to warrant a fair settlement. Insurance companies know which appraisers do this and they blacklist them. Yes, it is true that insurance companies under-pay DV claims, however, their formula, as inaccurate as it is, was derived from a court case, your appraiser's values are fictional and pulled out of thin air.

Example:

17c (insurance offer based on Mabry case) = \$150

DVGA estimate = \$2,700

John Doe Appraisal Service = \$8,300

Asking the insurance company to pay \$8,300 on a claim they assessed for \$150 is a sure way to get your claim denied and ignored. The insurers know that your "expert" will not appear at trial to defend his values and therefore, your claim is not a threat to them. If it seems too good to be true, it is.

6. Reviews from Real clients / Physical Address

You should never hire a professional who doesn't have a business address, someone who doesn't rent or own an office.

Red Flags:

- The address is a post office box
- Reviews are all from people with only 1 review
- All reviews are 5 stars (Only possible if your business is brand new)
- The appraiser's name is not listed on the business website
- No Linked-in page for the appraiser or a published CV
- Out of state phone number
- Business not registered with the Georgia Secretary of State

7. Body Shop Collision Repair Audit

The appraiser you hire must be able to inspect the car and point out repair quality issues. If they cannot, then they're incompetent, if they refuse to then they have a conflict of interest as their primary loyalty is to the body shop.