



The National Association of Goldsmiths

Representing Jewellery Retailers since 1894

GUIDELINES FOR UNDERTAKING POST-LOSS ASSESSMENTS

Following a loss or theft, an insurance company may request a description and an estimate of the replacement price for the missing items.

Such work should be correctly referred to as a POST-LOSS ASSESSMENT (PLA). It must not be called a VALUATION, as you cannot value what you have not seen.

The following points may help you prepare the document in a competent and professional manner.

GENERAL

- Always make an appointment, even if it is only to 'come back in ten minutes' or show them to your 'waiting area'. You are a professional and this allows you time to gather relevant equipment together.
- Have the clients made a comprehensive list of the lost property? They should be advised when they come in or telephone to make an appointment of the benefits of saving time and of remembering everything that is missing. This list should include as full a description as possible, with sketches. Colour, number and size of stones. Age. How long owned. When and where bought. Price paid. Length of necklets and caratage of gold, etc. Receipts, valuations and photographs should also be brought as all can assist in arriving at the correct figure.
- Agree a method of charging, preferably on a time basis or a price per item.
- When noting the client's name, address and telephone number also add the details of the insurance company or loss adjusters and claim reference numbers.
- Make your list in a similar style to a valuation schedule. Always start with a heading, e.g. Ring, Brooch, Watch, etc.

- Don't be afraid to use wording like 'thought to be'; 'possibly 18ct gold'; 'stated to be sapphire'; 'probably'; 'considered'; etc.
- Think of what you see in your work as a jeweller/valuer. Platinum jewellery is quite a rare sight, and only about 5% of most jewellery is 18ct gold. Twenty-two carat is normally seen only in wedding rings, and most of those are pre-1970.
- Show illustrations or examples to get an idea as to style, shape, pattern and size, etc. Use manufacturers' and mail order catalogues whenever possible.

Assessing Gem-set Jewellery

- Use a millimeter gauge or other slide gauge to determine width of bracelets and chains, size of lockets, signet heads, etc.
- Observe caution when and if the occasion requires that it is appropriate to show items of stock. Was it like this? What colour was the sapphire? View the differing colours of ruby and garnet. Try not to show the price tickets if you can so as not to inadvertently influence the client's recall of size and value. Showing items of stock as part of an appraisal on a regular basis is not recommended.

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Representing jewellery retailers since 1894

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- If you have “Gemset” or an equivalent colour grading system you could show the client the many various shades of differing colour and could thereby establish the approximate colour of that missing sapphire or ruby, but just as importantly, you can certainly establish the colour it was not.

Assessing Necklets

- If you have a cultured pearl comparison necklet or a necklace it will help the assessment if the client can select the colour, lustre and surface purity, etc of the lost necklace and a simple calculation soon establishes the current price range.
- For necklet lengths, have a metre of rolled gold belcher chain or something similar and flexible to put around the neck. Get the customer to stand in front of the mirror and adjust it to what they think was the right length.
- Have pictures of samples of chain pattern ready to show.

Assessing Watches

- Is the customer certain beyond reasonable doubt that it was “Rolex” and not “Rotary” on the watch dial?
- If it was a gold watch, was the colour of the back of the case gold or grey? If it was grey, this would have been a steel back with a gold-plated front.

PRICES

- Try to find out what was paid and when.
- Be realistic. It is unlikely and unusual for an engagement ring, bought by a young couple, to have cost more than a month’s wages - usually a lot less.
- All assessed prices should make reference to the basis for that assessment, namely new, second-hand, antique, etc.
- There are figures, published by the Government, of the retail price index. The easiest way of obtaining these is to use the chart indicating the values of index-linked National Savings certificates available at www.nsandi.com (www.statistics.gov.uk) and the N.A.G. Registered Valuer Inflation Factor Calculator and Historical Gold Price sheets.

POST-LOSS ASSESSMENT LETTER

THE LETTER written to the customer should be a special Post-Loss Assessment letter. Do not mention the word *valuation* or use a valuation schedule. Two copies should be provided for the customer, a top copy for them (with the N.A.G. Registered Valuer seal on it if the assessment has been compiled by an N.A.G. Registered Valuer) and a photocopy for the insurance company. A third copy must be kept in a special file of your own together with all relevant working notes, etc where they can be found quickly when the insurance company telephones to discuss the claim.

Unless you use your PC, it is probably more convenient to have a standard letter already photocopied with the usual disclaimers, and with a space to fill in the list of missing items. It must above all state that all the prices given have been based wholly on the information provided by the client.

Use the same font so that a professional and coherent ‘look’ is obtained.

Sign your name at the end of the list of items so that nothing can be added in afterwards without it being obvious.

Enclose an insurance replacement services leaflet to the effect that the customer can come back to you to replace the items, and need not use the jeweller recommended by the insurance company (depending on their policy). Stress the refund of the fee paid if you operate this scheme.

FEES

WORK OUT your own scale of fees (remember the N.A.G. is unable to recommend a scale of charges because of restrictive trade practice legislation). Charge a professional fee. **Do not do it free of charge.** If you like you can refund the fee (on a pro rata basis) if the insurance company accepts your post-loss assessment.

SAMPLE INSURANCE REPLACEMENT SERVICES LEAFLET

Blank Jewellers

INSURANCE REPLACEMENT SERVICES

Note: Whilst we will be pleased to provide post-loss assessments of replacement prices, insurance replacements as instructed by you or your insurers, and general information about typical insurance practice, we are NOT able to advise you about the cover provided by YOUR policy, or to act on YOUR behalf in presenting or negotiating your claim with your insurers. If you require independent technical advice about your policy conditions you should consult an authorised insurance broker. The official insurance brokers to the National Association of Goldsmiths, T H March & Co Ltd, tel: 01822 855555, specialise in this field.

FOLLOWING A claim for missing items, your insurers will usually be entitled by the policy wording to replace the pieces, rather than send you a cheque to cover the loss. If they choose to exercise that right, they can usually select the jeweller you must use to effect the replacements, but those replacements must be broadly similar articles. If they are not so, you will be entitled to purchase the items from whichever jeweller you prefer. We would like to think that this might be ourselves. The insurance company may insist that they settle the account directly with us rather than with you, and this is reasonable.

As members of a unique Claims Services offered by the National Association of Goldsmiths, we have access to a specialist team of claims handlers who can liaise with your insurer on your behalf to settle your claim. At no cost to you, the Claims Service can take away the hassle of paperwork and telephone calls and work to ensure your jewellery claim is settled to your satisfaction.

Here at *Blank Jewellers* we would be happy to advise you on replacements and look forward to helping you further. The fee, which you paid us for providing the list of the lost property and its prices, will, of course, be refunded to you if you replace items from us on a pro rata basis.

AFTER YOUR LOSS

YOUR INSURER'S requirements following a claim for loss of theft will depend on whether they have already accepted a detailed valuation for the item(s) concerned. If they have, settlement of your claim should be based on that valuation. If not, they will usually ask for evidence of ownership and replacement price. Post-loss assessment of replacement price requires skill and experience; without that professional advice you may receive inadequate compensation for your loss.

It is recommended that in order to save time and therefore money, before you come write as full a description as possible of the missing items. Make sketches if necessary and state the various metals, approximate measurements, number of stones, their colour, length of chains, make of watch, year of purchase and the price paid if you can remember it, etc. Also please bring with you any documentary evidence you may have relating to the missing items, e.g. old valuations, insurance papers and, of course, photographs. Sometimes the most seemingly insignificant detail can prove to be invaluable in determining the identity and therefore the price of a missing item.

For a post-loss assessment report we charge £XX.

SAMPLE POST-LOSS ASSESSMENT LETTER

Mrs A Jones
33 Berry Lane
BARRINGTON TOWN
BZ20 9HH

(Date)

Dear Mrs Jones

LOSS OF PROPERTY FOLLOWING THEFT

Following your recent visit when you described in detail the missing goods I have now had the opportunity to research the current replacement prices and can report the following:-

1. Ring: Platinum solitaire old-cut diamond ring, approximately 0.60ct - £X,XXX.
2. Bracelet: Victorian 15ct gold gate linked bracelet - £XXX.
3. Necklace: Single row 7mm cultured pearl necklace - £XXX.

On the basis of the enclosed descriptions, the details of which were supplied by you, it is my opinion, having undertaken further research and investigation where necessary and in the absence of any other specific information, that these pieces could be replaced with reasonably equivalent items at the prices indicated, inclusive of VAT where appropriate. Please appreciate that it is very difficult to determine prices for items that cannot be examined. I consider the prices stated represent true and reasonable sums for the missing items, having regard to whether they are to be replaced with similar new, second hand or antique items.

I must state that as I have not seen the lost items the opinion expressed regarding the replacement prices relies wholly on the completeness and accuracy of the information provided by you. Accordingly I disclaim any responsibility should it subsequently transpire that this information is incomplete and/or inaccurate in any material particular.

The prices stated reflect my opinion at the above-mentioned date and I am quite happy for your insurers to have sight of this letter in support of your claim and enclose an additional copy for this purpose. Should there be any queries or points that need clarification please do not hesitate to contact me and I shall be delighted to assist further.

Should your insurers approve your claim I will endeavour to supply replacement goods as close as I can to the originals and at the prices indicated.

Meanwhile I enclose our invoice for the fee of £XX in this respect for your consideration in due course and remind you that this can be refunded on a pro rata basis when replacement goods are purchased from me.

Yours sincerely

Blank Jewellers