

## Sample Insurance Appraisal

**Prepared for:** John Smith  
305 Mack Ave.  
Grosse Pointe, MI 48230

**Effective  
Date of Appraisal:** May 27, 2011

**Date of Report:** May 31, 2011

**Prepared by:** Andrew Dervan  
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## Table of Contents

Title Page .....	i
Table of Contents .....	ii
Transmittal Letter.....	pgs 1-5
Enclosure 1: Valuation Section.....	Enc. 1, pgs 1-4
Enclosure 2: Bibliography .....	Enc. 2, pg 1
Enclosure 3: Appraiser's Professional Profile .....	Enc. 3, pg 1
Enclosure 4: High Resolution Images on CD .....	Enc. 4

**Pointe Clock Appraisal**  
**P.O. Box 361255**  
**Grosse Pointe Farms, MI 48236**

May 31, 2011

Mr. John L. Smith  
305 Mack Ave.  
Grosse Pointe, MI 48230

Dear Mr. Smith;

As you requested, this appraisal report has been prepared for your use in obtaining insurance coverage for your high-value items of personal property.

This transmittal letter contains the assignment-specific elements of information that are required to be included in this report by the *Uniform Standards of Professional Appraisal Practice* (USPAP) as promulgated by The Appraisal Foundation of Washington, DC.

The required item-specific information including the identity and value-relevant characteristics of the subject property as well as my opinions of value are contained in the Valuation Section of this report along with thumbnail images of the subject property. For your convenience, a CD containing high resolution images of the subject property is enclosed with this report. Market data that served as a basis for my opinions of value are retained in the assignment workfile.

#### **Executive Summary**

On May 27, 2011 I conducted an appraisal inspection of your high-value personal property which was located at 305 Mack Ave. in the presence of John L. Smith in order to identify the subject property and its value-relevant characteristics so that I could properly develop an opinion of its replacement value.

In summary, the replacement value of a **E. Howard & Co. signed No. 9 Figure 8** banjo clock appraised and listed within the Valuation Section of this report totals **\$ 16,750** as of the effective date of the appraisal, which was the date my inspection, May 27, 2011.

#### **Intended Use of the Appraisal**

As you indicated, the intended use of this appraisal report is to assist in establishing your insurance needs. Any other use of this appraisal renders it null and void.

#### **Report Option Used**

This appraisal report has been prepared making use of USPAP's Summary appraisal report option.

#### **Identity of Client and Other Intended Users**

This report is intended for use only by you, my client, your agent and by your insurance company.

With the exception of you and the appraiser-identified intended users listed herein, this appraisal is not intended to be used by or influence any particular person(s) or class(es) of persons which might take some action in reliance upon it. Unless otherwise stated, I am not aware that you or your agent intend to transmit any information contained in this report to any other person(s) or group(s) other than to the appraiser-identified intended users listed herein. My liability is limited to you and to the identified intended users of this report to the exclusion of all others. Parties other than those specifically listed as authorized intended users of this report who take some action in reliance upon this report do so at their own risk.

### **Ownership Interest Being Appraised**

The appraised values are based upon 100% of your interest in the property undiminished by any liens, fractional interests or any other form of encumbrance. I understand that you are the sole owner of the property listed in this report; however, mere possession of this appraisal report is not an indication or certificate of title or ownership. Ownership and ownership interest have been represented to me by you, my client, and no inquiry or investigation has been made nor is any opinion to be given as to the accuracy of such representation.

### **Type and Definition of Value Used**

In this appraisal assignment I developed an opinion of **replacement value (comparable)**.

As defined in Appraising Personal Property: Principles and Methodology (Appraisers Press), replacement value is the worth of a property based on the amount one would have to pay to replace the property (through purchase or manufacture, and with a new or comparable item as the property type warrants) within a reasonable amount of time and from within the relevant market ("relevant market" is that market in which the owner of the property customarily shops such as local retail stores, online, etc.) with a property of like kind, quality, origin and utility as the property being replaced.

The method for determining a property's replacement value is by estimating the cost of replacing it, **i.e.**, by estimating its **replacement cost**. Specifically, replacement value is based on either replacement cost (comparable), replacement cost (new), or replacement cost (new-reproduction). Which is used depends on whether or not the property can be suitably replaced with a "new" property, and whether a replacement can be purchased new ready-made or if it must be manufactured.

For items (such as the property that is the subject of this appraisal assignment) which can be suitably replaced only with a comparable but not new property, **replacement cost (comparable)** was used to determine **replacement value (comparable)**. Replacement cost (comparable) is defined as the cost necessary to replace (through purchase) the item being appraised with a comparable item of property of like kind, age, quality, and utility having similar wear and tear, obsolescence, and value-relevant characteristics as the item being appraised.

### **Relevant Dates**

Relevant dates associated with this assignment include the following:

- **Date of Inspection:** The subject property was inspected on May 27, 2011.
- **Effective Date of Appraisal:** Value opinions are effective as the date of the date of my inspection, May 27, 2011.
- **Date of Report:** This report was prepared and signed this date, May 31, 2011

### **Most Appropriate Market to Research**

The definition of replacement value considers a market in which you customarily and conveniently shop and in which you should be able to purchase a replacement property within a reasonable amount of time. Accordingly, I conducted research in specialty clock retailers, National specialty clock auction houses, and on Internet retail websites specializing in the sale of high-value properties comparable to yours.

### **Scope of Work**

Scope of work is defined by USPAP as the work actually performed in order to develop credible assignment results. The scope of work employed in this assignment, including the report content and the detail of that content, was dependent upon the needs of the client, the intended use of the report, the definition of value that I used, the effective date of the report, and the subject property's value relevant characteristics.

The scope of work for this assignment included:

- A personal inspection of the subject property was conducted in order to properly determine its identity and value-relevant property characteristics.
- While on site, I documented the relevant information in writing and took detailed high resolution digital images of the property.
- Identification research was later conducted as necessary making use of relevant books authored by subject property experts.
- I conducted market data research at local retail stores, catalogs of national specialty clock auctions, and on Internet websites specializing in the sale of high value properties.
- I analyzed the market data, making adjustments as necessary for differences in value characteristics between the comparable and subject property, and arrived at my final opinion of value.
- No one provided me with significant assistance (either appraisal or otherwise) in the development of my opinions, analyses or conclusions.

### **Approach to Value**

When developing an opinion of replacement value (comparable), I made use of the sales comparison approach to value. In the sales comparison approach, the most appropriate market is researched to locate comparable items which have sold in the past or which are currently being offered for sale. Adjustments in value are made to reflect differences (if any) in value relevant characteristics between the comparable properties and the subject properties. Should a comparable suitable replacement not be readily located and available for purchase at retail, local and national auction sales were researched to locate comparable items which have sold in the recent past in order to establish value.

### **Assignment Conditions Encountered**

- There were no Limiting Conditions, Extraordinary Assumptions, Hypothetical Conditions, or Jurisdictional Exceptions encountered with this appraisal.

### **Disclosure of Interest/Past Services Rendered**

I have no current or prospective interest in the subject properties or parties involved. Neither have I performed any services (appraisal or otherwise) related to the subject property within the preceding three years.

### **Disclaimers and Terms and Conditions**

Unless otherwise noted in the Valuation Section, this appraisal is based only on the readily apparent identity of the items appraised. In my opinion, no further opinion or guarantee of authenticity, genuineness, attribution or authorship is necessary.

With the exception of you, my client, possession of this report or its copy does not carry with it the right of publication, nor may this report be used for any purpose by anyone other than you or your agent without my previous written consent. If this report is reproduced, copied or otherwise used by those authorized it must be done so in the report's entirety including this transmittal letter and all attachments. Furthermore, no change to any item in this appraisal shall be made by anyone other than me. I am not responsible for any unauthorized changes to this report.

### **USPAP Certification**

With the below signature I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant personal property appraisal assistance to the person signing this certification.

**Statement of Confidentiality**

I regard all information concerning this appraisal assignment as confidential. I retain a copy of this document along with my original notes in the assignment workfile, and I will not allow others to have access to these records without your written permission unless so ordered by a court of law.

Sincerely,

Andrew. H. Dervan

- Enclosures:
1. Clock History and Value considerations
  2. Valuation Section with Comparable Market Data
  3. Bibliography
  4. Appraisers Professional profile
  5. CD of high resolution photographs

SAMPLE

### **E. Howard and Background on Banjo Clocks**

Edward Howard (1813-1904) was born in Hingham, MA and he apprenticed with clock Aaron Willard Jr. along with David P. Davis. In 1842 he formed a clockmaking partnership with David P. Davis named "Howard & Davis" and they were in business until 1857 when their partnership was dissolved. In 1858, he started his own clock and watch manufacturing company in Boston named "Howard Clock & Watch Company". In 1863, the company was re-organized as "Howard Watch & Clock Company". These companies focused manufacturing high quality weight driven wall clocks.

Their most familiar products were banjo clocks numbered No. 1 to No. 5 that contained an 8 day recoil escapement pendulum controlled weight driven time only movement. No.1 was the largest banjo clock - 50 inches tall and No. 5 was smallest banjo clock - 28 inches tall. They were a carryover from Howard & Davis Co. There were two visible changes on clocks during the company transition from Howard & Davis to Howard Clock & Watch Company: paper on iron dials became painted iron dials and colors of reverse painted glasses changed from Black with geometric gold to Black & Red with geometric gold. Many Howard & Davis movements were not signed, but all Howard Clock and Watch Co. movements are signed "E. Howard & Co. Boston" often the number of clock size is stamped on the movement. Each clock has a different size movement. The dials were signed "E. Howard & Co. Boston". In 1881 E. Howard retired from the company, clocks manufactured before 1881 have "E. Howard & Co. " in script signature afterwards all dials have stamped signature "E. Howard & Co."

In 1874 Howard Watch & Clocks Company introduced a more attractive line of banjo clocks later named "Figure 8" due to their shape; they were numbered No. 6 was the largest 58 inches tall to No. 10 the smallest - 33 inches tall. These Figure 8 banjo clocks were made in smaller numbers than original banjo clocks. They contain the same 8 day controlled weight driven time only movement as the equivalent banjo clock. For example No. 4 and No. 9 contain the same movement.

### **Valuation Considerations and Market Analysis**

Both standard E. Howard & Co. and Figure 8 banjos are prized by clock collectors. Clock collectors will pay a premium for E. Howard & Co. signed clocks compared to Howard & Davis signed clocks. The Figure 8 banjos sell for a significant premium over the standard E. Howard signed banjos.

The recent recession has had a significant negative impact on clock values, however the E. Howard banjo clocks particularly the Figure 8 clocks have held their values very well or have continued to appreciate especially if their condition is original or has minor restoration.

See re-print of 1874 Howard Watch and Clock Co. catalog illustrating the No. 9 and No. 10 Figure 8 clocks. No. 9 originally sold for \$ 33 and No. 10 originally sold for \$ 25.

Four comparable No. 9 Figure 8 and No. 10 Figure 8 examples are documented from R.O. Schmitt and Skinner Auctions.

The subject No. 9 Figure 8 clock has slightly better overall condition than the clock than sold in the November 2008 Skinner auction which had a repainted dial which generally lowers a clock's value 10-15 % . It is significantly better condition than the clock that sold May 2010 R.O. Schmitt Auction that had extensive improperly done case restoration and owner inscribed his name on the movement, these issues had a major negative impact on its auction value. It is in better condition than the No. 9 Figure 8 that sold at the recent May 2011 R.O. Schmitt auction that has partially refinished case and worn dial. In addition the dial's shadow signature is unique and increases the clock's value.

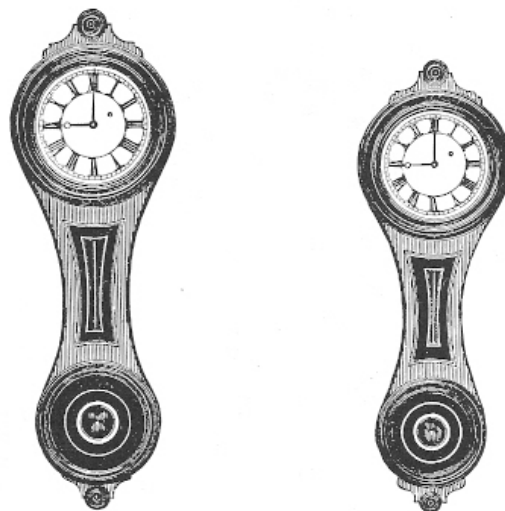


### Additional Replacement Value Considerations

A clock acquired at auctions will require movement servicing to insure it is in working order and an accurate timekeeper and the case and dial may require cleaning and minor repairs or restoration.

Sales of many high end clocks are handled through specialist clock retailers who acquire items from similar auctions or purchase them directly from collectors. They have significant expenses purchasing, repairing and restoring, maintaining inventory, and marketing clocks for sale. In addition, there will be transportation expenses from clock specialist retailer to customer.

E. HOWARD & CO.'S ILLUSTRATED CATALOGUE.



No. 9, \$

No. 10, \$

#### House and Counting-Room Clocks.

The above represents our Nos. 9 and 10 Clocks.

No. 9 is 3 feet 1 inch long, with 9 inch dial.

No. 10 is 2 feet 9 inches long, with 8 inch dial.

Both recoil escapements and accurate time-keepers. The cases are made from well-seasoned black walnut wood, and polished. These clocks are well adapted for use in dwelling-houses.

1874 Howard Watch and Clock Co. catalog

reprinted by Ken Roberts Publishing Co.

Bristol, CT

**Black Walnut case No. 9 Figure banjo clock, dial signed E. Howard & Co., Boston  
Maker: Howard Watch and Clock Company, Boston, MA ca 1880**

**Description:**

Black Walnut case with reverse painted glass tablets, the throat tablet is Black & Gold and lower circular area is Red, Black, Gold. The centers of both glasses are clear to view either the gilded pendulum rod or brass pendulum bob. Clock has a 10 inch painted iron dial with Roman numerals and is signed "E. Howard & Co. Boston" with an unique shadow signature. The clock contains an 8 day weight driven recoil escapement pendulum controlled time only movement signed "E. Howard & Co. Boston". The pendulum contains traditional E. Howard keystone, and the wood pendulum rod is gilded for enhanced viewing effect, 3 inch brass pendulum bob has circular decoration, and has original brass Howard tiedown.

**Condition:**

Case is in excellent condition with original finish, internal weight board possibly replaced, painted dial is original condition and has unique shadow signature, glasses are original with no restoration, movement is in good running order and an accurate time keeper.

**Dimensions:** 37 inches tall, 13 inches width at dial, 10 inches width lower section, 5 inches deep

**Maker:** Howard Watch and Clock Company, Boston, MA in business from 1842-1899 under various company names, clock dates ca 1880.



E. Howard & Co. signed No. 9 Figure 8



Enlarged E. Howard & Co. dial signature - notice shadow effect in lettering and decorative detail addition below the signature

### Comparable Market Data

My opinion of fair market value is based on the market data as displayed in the below table. The data consists of auction sales of five comparable properties as shown following the table. The auction prices realized in the below table include the buyer's premiums which ranged from 12% to 18%.

Prices Realized (includes buyer's premium)	Comparable Sale	SALE, LOCATION, DATE, LOT #, DESCRIPTION
\$ 10,400	Comparable Sale #1:	R. O. Schmitt Auctions, Manchester, NH October 31, 2004, Lot # 382 No. 9 Figure 8 - Case very good original condition, repair to case due to weight damage & chip on dial
\$ 11,210	Comparable Sale #2:	Skinner Auctions, Marlboro, MA, November 1, 2008, Lot # 29, No. 9 Figure 8 - Case very good condition with no case damage and dial old repaint
\$ 4,528	Comparable Sale #3:	R.O. Schmitt Auctions, Manchester, NH, May 15, 2010, Lot # 398, No. 9 Figure 8 - Case re-finished, bottom replaced, and top and bottom case decorations replaced with Mahogany instead of Black Walnut, former owner engraved name on movement - all these case alterations were major negative impacts decreasing the clock's value over 50 %
\$ 11,643	Comparable Sale #4:	R.O. Schmitt Auctions, Manchester, NH, May 15, 2010, Lot # 399, No. 10 Figure 8 - Case very good condition, case refinished many years ago
\$ 10,125	Comparable Sale #5:	R.O. Schmitt Auctions, Manchester, NH May12, 2011, Lot # 735, No. 9 Figure 8 - Case partially restored, dial significant wear & numerals faded, weight board repainted both sides

## Bibliography

Paul J. Foley, Willard's Patent Time Pieces, Roxbury Village Publishing Co. , 2002, Norwell, MA Chapter 22 - Boston/Roxbury Massachusetts Production Banjo Clocks  
E. Howard's biography and subject clock's dial are depicted on page 267

Tran Duy Ly, American Clocks Volume 1, Arlington Books, Fairfax, VA, 1999  
pages 116 - 118 describing Howard Watch & Clock Company banjo clocks

Gerard Siegel, Howard Banjo & Figure-Eights, National Association of Watch and Clock Collectors Bulletin publication, issue 131, page 262, April 1968

P. L. Small (compiled by F. Earl Hackett), E. Howard: The Man and the Company, National Watch and Clock Collectors Bulletin Supplement No. 1, Winter 1962

1874 Howard Watch and Clock Co., Illustrated Catalogue of Clocks, reprinted by Ken Roberts Publications, Bristol, CT 1972

Professional Profile of  
**Andrew H. Dervan, AOA AM**  
**Pointe Clock Appraisal, LLC**

**Academic Background**

- 1973 BA, Bridgewater State College, Bridgewater, MA
- 1982 MS, University of Detroit, Detroit, MI

**Appraisal and Horological Training**

- Completed and passed "The Complete Online Course in Personal Property Appraising Featuring USPAP" offered through Appraisal Course Associates
- Completed and passed in 15-hour National USPAP Course offered through Appraisers Association of America
- Completed and passed "Understanding the Fundamentals of Clocks for Valuation" offered through National Association of Watch and Clock Collectors (NAWCC)
- Completed 3 National Association of Watch and Clock Collectors (NAWCC) Field Suitcase Repair courses: "Basic Clock Repair", "Fundamental Skills for Lathe & Clock Repair Skills", and "Basic Watch Repair"
- Completed "Basic Clock Repair" an evening extension course offered through Schoolcraft College, Livonia, MI

**Horological Activities**

- Participated in various offices of NAWCC local chapters
- Published over 20 technical articles on various horological topics in the "NAWCC Bulletin" and in the English periodical, "Clocks Magazine"
- Vice-Chairman of Cog Counters - wood movement clock enthusiast group
- Active researcher investigating Watch, Clock, and Watch Tool manufacturing companies in Waltham, MA
- Maintains a website "WalthamClockCompanyMuseum.com" providing information on various clocks produced by Waltham Clock Co.
- Presented over 30 seminars (have 14 prepared presentations) on various horological topics at NAWCC Chapter meeting, Regional, and National meetings in both U.S. and Canada, and to local civic groups.
- Attends several NAWCC Regional and National meetings each year to keep abreast of the changing clock market

**Professional Memberships**

- Member of National Association of Watch and Clock Collectors (NAWCC) since 1997
- Member of multiple NAWCC chapters
- Member of three NAWCC Committees: Research, Publications, and Chapter Relations
- Accredited Member, Association of Online Appraisers

5/24/2011