



Summary of Proposed Legislation Property Insurance Loss Appraiser Legislation

Effective June 1, 2009, no person shall act as a property insurance loss appraiser unless licensed as a property insurance loss appraiser by the Department.

Licensed attorneys are exempt from having to be licensed in order to act as a property insurance loss appraiser.

Education, Experience or Other License Required

- Currently licensed adjusters, engineers, general contractors, building contractors and residential contractors would be qualified to take the appraiser examination without taking courses and without having experience as an appraiser.
- Other applicants could qualify to take the examination by meeting one of the following provisions:
 - Having taught or successfully completed 100 classroom hours in property insurance loss appraisal courses;
 - Having completed a correspondence course in property insurance loss appraisal and have at least 6 months of experience as an employee of a licensed property insurance loss appraiser; or
 - Having completed at least 1 year of experience as an employee of a licensed property insurance loss appraiser.

Examination Requirements

- All applicants for licensure as a property insurance loss appraiser must pass a written examination.
- Examination must cover:
 - Technical terms commonly used in property appraisal.
 - Building codes, building construction and building materials.
 - Reliable sources of appraising data.
 - Appraisal principles and theory.
 - Appraiser standards, ethics, prohibited acts.

Disciplinary Action

- Provides grounds for mandatory and discretionary refusal, suspension, or revocation of an appraiser's license.

Standards for Development of Appraisal

- Identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.
- Utilize recognized methods and techniques.
- Identify the type and definition of value such as actual cash value or replacement cost.
- Identify the characteristics of the property such as quality of the item, and all other physical and economic attributes with a material effect on value.
- Collect, verify, and analyze all information necessary for credible assignment results.
- Communicate each analysis, opinion, and conclusion in a manner that is not misleading.

Property Insurance Loss Appraisal Report

- Requires the report to be in writing.
- Specifies the content of the report.
- Requires the report to describe the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions.

Ethical Standards

- Shall not charge any fee on a percentage basis or that is contingent on arriving at a particular result.
- Shall not act as an advocate, but as objective estimator of value, repair cost and replacement cost.
- Shall not appraise property in which the appraiser has a present or future interest without fully disclosing that fact.
- Shall not advertise or solicit appraisal work through inaccurate, misleading, false or deceptive claims.
- Appraisal assignment is a confidential matter.