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## Equipment Appraisal Professional Liability



# Today's Agenda

- **Equipment Appraisal Risks**
- **Professional liability vs. General Liability**
- **Contracts: the good, the bad and the...**
- **How much does it cost?**
- **Questions**



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# Equipment Appraisal Risks

Incorrect  
Valuation  
Method

Inappropriate  
Standards

Project  
Delays

Frivolous  
Lawsuits

# General Liability vs. Professional Liability

- General Liability Insurance covers defense/damages for claims arising from:
  - Bodily injuries incurred on your commercial premises
  - Property Damage to others
  - Advertising injuries (e.g., slander, libel, misappropriation, and copyright infringement).



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# Professional Liability Insurance

## Errors and Omissions Insurance or Malpractice Insurance

- Covers 3<sup>rd</sup> Party claims alleging your business caused financial loss because you:
  - Provided negligent professional services.
  - Failed to uphold contractual promises.
  - Provided incomplete or shoddy work.
  - Made mistakes or omissions.



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# Professional Liability Insurance Includes

- **Defense**
- **Damages**
- **Related expenses**



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# Additional Coverages Include

## HR Services

Free human resources consultation hotline to be used for personnel issues including harassment and discrimination, the Family and Medical Leave Act, disability, wage and hours regulations and more  
Online library with information, forms and articles pertaining to human resources

## PRE-EMPLOYMENT AND TENANT SCREENINGS

Discounted background checks (first background check is free)  
Best practices for performing a background check  
Discounted tenant and drug screenings and Motor Vehicle Reports (MVRs)

## PAYROLL AND TAXES

Payroll processing and tax services tailored for either a small or large business  
Online business tax workshop provided by the Internal Revenue Service (IRS)

## CYBER RISK

Discounted identity theft monitoring and recovery  
Online data protection resources

## MARKETING

Suggested free and paid vendors that provide SEO and website marketing services.

## SAFETY

Free on-site safety and occupational health consultation for your business  
Free personal credit report  
Disaster and emergency preparedness resources



# Contracts

- **Opinion of Value**
- **Scope of Work**
- **Certification of Appraisal**



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# Claims


## *Equipment Appraisal*

A bottling facility in Philadelphia was assessing options to upgrade their current labeling press or replace and sell. The existing unit cost over \$500,000. The appraiser determined the resale value was closer to \$300,000. The facility invested in the new machine and sought buyers for their existing equipment. After months of keeping the asset on the balance sheet they finally sold for less than half of the appraised value. The company filed a suit against the appraiser for the difference (\$100K+).




# How do we determine your premium?


- Applicant's name
- Applicant's address
- Applicant's annual revenues
- Average value of property appraised
- Confirm less than 25% of receipts from items in which they also have ownership interest.
- Confirm applicant does not perform certification services.
- In consideration of BOP, confirm applicant is not storing equipment
- In consideration of BOP, confirm applicant is not operating equipment



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**Equipment Appraisal  
Professional Liability**



**Professional Picks up where your General Liability stops...**

Covers 3rd Party claims alleging your business caused financial loss because you:

- Provided negligent professional services.
- Failed to uphold contractual promises.
- Provided incomplete or shoddy work.
- Made mistakes or omissions.

**Sample Claim**

A bottling facility in Philadelphia was assessing options to upgrade their current labeling press or replace and sell. The existing unit cost over \$500,000. The appraiser determined the resale value was closer to \$300,000. The facility invested in the new machine and sought buyers for their existing equipment. After months of keeping the asset on the balance sheet they finally sold for less than half of the appraised value. The company filed a suit against the appraiser for the difference (\$100K+).

**Quote Information**

Primary Applicant's name: \_\_\_\_\_  
 Location address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Web address: \_\_\_\_\_  
 Email address of primary contact: \_\_\_\_\_  
 Gross revenue for the last fully completed fiscal year: \_\_\_\_\_  
 Average value of property appraised: \_\_\_\_\_

**Ifft & Palmer can handle all of your commercial and personal insurance needs**

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Questions?



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