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InspekTech® Circular

5 Ways the InspekTech ReCalc™ mini-appraisal is beneficially different from an Insurance Company's in-house efforts.

1. **Appraisals represent a “critical corner” of determining real world replacement costs for insurance purposes. Insurance appraisals and inspections represent about 90% of what InspekTech® does day-in and day-out, and for good reason.**

Our experience relates, over and over, that CoreLogic® recalculation results done in-house are often sub-standard and at a non-appraisal level. This should be expected, and is not to blame; after all, insurance companies are not appraisal companies. When the economic dust settles (not accounting for claims stats), there will almost certainly be lost premiums, misallocated general resources, and on-going costly manpower demands of various sorts.

When InspekTech® originally reports, and there is a large increase from the reported Insured value, it is often because someone in-house at an insurance company using a building cost calculator has not used it correctly to determine proper replacement values. One of the reasons is because the non-appraiser has not understood or used the correct appraisal approach when dealing with variable dwelling components that can have large impacts on cost.

2. **InspekTech® often adds Custom items into CoreLogic® to obtain as accurate a profile of a dwelling and its detached features.**

In the original reporting we note Custom Items in Comment areas (no parsed value or exact details are provided). Rather, we may make a non-value comment like: *“The etched glass railings around the upper deck have been added as a custom item to the attached structures amount”*. Value determination may be an “outside calculation” meaning it’s not directly within the CoreLogic® program but determined by InspekTech® and input as a whole calculation.

Depending on the Custom component, this may add a few thousand dollars or hundreds of thousands of dollars to RC. InspekTech® uniquely takes Comment distinctions into account as may be requisite in the formation of the ReCalc™ even if it means outside calculations to the whole.

3. **The versatile nature of using data entry and CoreLogic®.**

There is no way that insurance companies can replicate InspekTech® input values exactly – and missing just one or more component variables can result in a sub-standard re-calculation value (many times over). In contrast, InspekTech® distinctively takes compartmental variables into account as may be required when developing the ReCalc™.

By way of example, a house built in 1995 that has an addition added to it 2022: depending on the shape and type of addition, InspekTech® would use CoreLogic® RCT Express to determine sections of the dwelling, in isolation from one another, and then combine them into the finished result, which is what we report on. This is very important to the overall value – and InspekTech® will capture it in our methodology, not just lump components together in a non-appraisal like manner likely resulting in skewed sq. ft. costings.

4. **It's the experience of InspekTech® that only a small % of Underwriters have RC appraisal knowledge requisite to ascertain a proper valuation update when taking into account cost variables and component nuances. The ReCalc™ mini-appraisal avoids this problem. InspekTech® provides Underwriting supportable and real-world appraisal values.**

The method used to calculate value varies, of course, in some cases based on Sq Ft , Linear Ft, Count, Lump Sum, etc. It's only UW's who have a very strong working understanding of the appraisal process / inputs and a versatile knowledge of CoreLogic's RCT Express, that will be qualified to component properly and consistently across the board (CoreLogic® also offers their SwiftEstimator® with fewer choices and no customization option, resulting in risk exposure).

5. **Independent appraisal calibration cross-checks are in place with the InspekTech ReCalc™.**

Knowing appraisals as we do, the net overall benefit of doing in-house insurance to value re-calculations is either marginal at very best or extraordinarily costly at worst. InspekTech® provides independent 3rd part credibility on an adjusted value. The InspekTech ReCalc™ mini-appraisal is a reliable, simple, and very NET cost-effective way to determine updated values following original baseline site inspection work.

