

VALUATIONS



APPRAISAL & VALUATION
CONSULTANTS LTD

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Valuations

- Appraisal & Valuation Consultants Ltd
- What is a Valuation and Why have one?
- Methods used
- AVC Valuations
- Factors that affect Values
- Benefits of accurate Values

Valuations

AVC is an independent Company, recognised globally as experts in providing insurance valuations within the Energy industry on a pre and post loss basis.

With backgrounds in chemical, mechanical, civil and structural engineering, physics and property appraisals, we have over 130 years of combined experience of valuations and the insurance industry.

What is a Valuation?

- Physical assets
- Assets categories
- Coverage



Why have a Valuation?

- Sum Insured = Value at Risk
- Eradicates application of Average
- Sufficiently detailed to enable accurate EML calculation
- Avoids over insurance
- Supports premium methodologies
- Accelerates claims resolution

Methods

- Throughput Analysis
- Asset Register Analysis
- Ground-up Analysis



HOW do we carry out a Valuation?

- Direct Customer engagement to understand expectations and reporting requirements
- Information gathered in advance ensuring minimal Customer disruption
- Definitive Certifiable Valuation – based on site survey, a detailed review of all assets. Most accurate and AVC valuations tested against loss scenarios to within 10 - 15% accuracy
- Desk Based Assessment – only ever as accurate as the information provided. Subject to human error
- VALUSOLV®

VALUSOLV®

- Unique to AVC, VALUSOLV® is a sophisticated cost estimating and reporting tool
- Developed by our Managing Directors, VALUSOLV® stores cost data relating to plant and machinery
- Enables reporting by location / area / unit
- The values are regularly updated and benchmarked to maximise accuracy and consistency across all sites

Interactive Valuation Maps



CASE STUDY

Insurance Valuation - Offshore

- Drilling Assets – Laid Up
- Recent Valuations – supplied market value
- Market value a fraction of replacement cost in current market

CASE STUDY

Insurance Valuation - Onshore

- Product Terminal, Asia
- Sum insured less than construction costs
- Non-recurring costs

CASE STUDY

Insurance Valuation - Onshore

- Chemical Plant, Nigeria
- Explosion / fire, almost total loss
- Average applied if values more than 15% inaccurate
- Customer arranged valuation and found to be more than 20% underinsured – cost the Customer millions!

Factors Affecting Valuations

- Time
- Market conditions
- Asset surplus
- Economic outlook
- Commodity prices



Benefits of accurate Values

- Customer – a greater understanding of the portfolio. Ultimate peace of mind in the event of a loss. Avoids over insurance and associated premium implications
- Broker – with a combination of risk surveys and valuations, has a comprehensive understanding of customers portfolio enabling improved opportunities to negotiate better coverage / premiums
- Insurer – accurate EMLs. Improved protection of the book. When market turns, will eventually achieve premiums equitable to the risk

Worldwide Valuations

AVC carry out valuation services globally and locally include:

Belize, Bermuda, Bonaire, Brazil, British Virgin Islands, Canada, Cayman Islands, Costa Rica, Colombia, Curacao, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Peru, St Vincent, Trinidad & Tobago, Turks & Caicos Islands, Venezuela, USA

AVC Customers



ENERGY BASED,
PEOPLE POWERED

