



Graduate Gemologist - Appraiser
 (615) 973.0083
 www.susanschwartzgg.com

SAMPLE APPRAISAL REPORT: NOT Intended to be used for Insurance Coverage

This is only a SAMPLE report and is not intended to be used to obtain insurance coverage on the item described. This report is not intended for any use but as a SAMPLE.

Report Date / Effective Date: January 26, 2016

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DESCRIPTION OF ARTICLE(S):

Ladies' Aquamarine and Diamond Ring:

A one-of-a kind, ladies', 18kt yellow gold, contemporary – classic ring by *Timothy Stammen of Bezalel* centered with one, emerald cut aquamarine, set securely in a four, handmade, ornamental prongs, raised between tapered, cathedral shoulders set with two, pear-shaped diamonds. The center stone is as follows:

GEMSTONE: **Beryl, Aquamarine** (Identified conclusively with Refractometer; Natural origin) *
SHAPE AND CUT: Emerald Cut
MEASUREMENTS: 14.63 x 11.05 x 8.38 mm
WEIGHT: 10.30 ct. *stated actual weight; confirmed by volumetric formula using approximate measurements as mounting permitted*



PROPORTIONS: Good
Depth: 75.8 %
Length-to-Width: 1.32:1.00

FINISH: Good
Polish: Good
Symmetry: Good

CLARITY GRADE: FI (Free of Inclusions)

COLOR GRADE: 6.5

COLOR: (Cool Light) Medium Light, Moderately Strong, Very Slightly Greenish Blue

BRILLIANCE: Excellent

The aquamarine is rated Upper Good (6)

Comments: * Normally Enhanced (E); The "E" symbol is used for gemstones that are routinely enhanced; many enhancements are difficult or impractical to prove definitively; unless otherwise indicated, it is assumed that such enhancements have been applied to that particular gemstone. Routine enhancement assumed used for aquamarine is (H) = Heating: the use of heat to alter color.

The aquamarine is framed by (1) 6.6 x 4.6 mm pear brilliant cut diamond, for an estimated weight of .52 ct. with a clarity rating of SI2, G color and very good proportions, and (1) 6.5 x 4.5 mm pear brilliant cut diamond, for an actual weight of .51 ct. with a clarity rating of SI1, F color and very good proportions (Certificate No. *GIA12345* is inscribed on the girdle of this diamond, as stated by the ring's maker. This laser inscription is now obscured by the mounting. I have verified by specifications that the GIA Diamond Report [dated 3-15-15] matches the diamond and *Report-Checked* it at *gia.edu*. The mounting tapers from the 14.6 mm crown to shoulders with an inverted taper; the shank is heavy gauge and 3.4 mm wide. The gold is finished in a high polish. The ring is beautifully designed, the workmanship is excellent and the ring is in new condition. The total mounted weight of the ring is 8.3 grams.

The stones were identified, graded, measured and their weights estimated while mounted. The piece was examined, appraised and this report was generated on 1-26-16 in my Franklin, TN office with the current price of Gold: \$1127.80 US Dollars. The income and sales comparison approaches to value were both considered inappropriate to valuing this one-of-a kind property. The Cost Approach to Value was used, as the ring as was custom designed and made for the owners by Timothy Stammen of Bezalel, using custom cast and hand fabricated elements. Specifically, value was concluded using Replacement Value-Reproduction, which is "the total cost to reproduce an exact replica of property at current costs, by the same artist, craftsman or another of equal skill, using the same materials and techniques." American Society of Appraisers, Monograph 2, p. 10.

RETAIL REPLACEMENT VALUE: \$ 18,995.00

APPRAISAL REFERENCE # TSSAMPLE_012616

INTENDED FOR USE ONLY BY: SAMPLE APPRAISAL ONLY

Use of this report for purposes other as a Sample is not intended by the appraiser.

Susan Schwartz, G.G. (GIA)
 Independent, Graduate Gemologist/Appraiser



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**SAMPLE CERTIFICATION OF APPRAISAL
For Appraisal No. SAMPLE ONLY**

I hereby 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 they are my personal, impartial, professional analysis, 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 the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within a three year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in 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, using as a guideline only: the Uniform Standards of Professional Appraisal Practice (USPSP) 2014 – 2015 Edition, published by the Appraisal Foundation.
- I have made a personal inspection of the property that is the subject of this report, unless otherwise clearly stated.
- No significant assistance on this personal property appraisal assignment was provided unless otherwise stated.
- The appraiser assumed the client named in this appraisal was the owner of the property and claims of ownership of the subject property were true as stated by the client. Possession of this report does not indicate nor provide title to the item appraised. The appraisal process does not discover ownership, liens, encumbrances, or fractional interests but, if known, they were noted. This valuation is in US Dollars and based upon the whole interest and possessory interest of the client undiminished by any liens, encumbrances, fractional interests or any other form of encumbrance or alienation.

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Independent, Graduate Gemologist/Appraiser

12-26-16 SAMPLE ONLY; NOT VALID FOR INSURANCE



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CREDENTIALS

1992 – **Irene Mack Scholarship**
Gemological Institute of America

1992 – **Diamond Grading**
Advanced Diamond Grading
Gemological Institute of America

1994 - **Fine Jewelry Sales**
Advanced Fine Jewelry Sales
Gemological Institute of America

1995 – **Colored Stone Graduate**
Gemological Institute of America

2001 – **Diamonds Graduate**
Gemological Institute of America

2001 – **Graduate Gemologist**
Gemological Institute of America

2010 – **GIA Alumni Achievement Award**
Middle Tennessee Chapter

2013 – **Uniform Standards of Professional Appraisal Practice (USPAP Course)**
The Appraisal Foundation

2013 – **Candidate, American Society of Appraisers**
2013-2014

2015 – **Reasoning and Logic for Valuation Professionals**
American Society of Appraisers

2015 – **GJ 209A: Recognizing Treated Gems and Origin Issues**
American Society of Appraisers

2015- **GJ 202: Appraising Gems and Jewelry for Insurance Coverage**
American Society of Appraisers

2015 – **National USPAP Update Course for Personal Property Appraisers**
The Appraisal Foundation

2016- **GJ 203: Appraising Gems and Jewelry for Advanced Assignments: Development and Report Writing**
American Society of Appraisers

2016- **PG 201: Introduction to Personal Property Valuation**
American Society of Appraisers

37 Years of Fine Jewelry and Appraisal Experience
Se habla español



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SCOPE OF WORK

Purpose:

The purpose of this report is to describe and document the quality of the jewelry and gems listed and to arrive at an opinion of its *current replacement value*.

Intended Use and Intended Users:

The intended use of this report is for obtaining insurance coverage on the jewelry described. Use of this report by those not listed on the appraisal or for purposes other than insuring the item is not intended by the appraiser.

General Information:

This appraisal has been prepared by a professional, Graduate Gemologist (GIA) in conformity with generally accepted professional standards and ethical guidelines and with GIA diamond and gemstone grading standards. This appraisal contains a full description of the appraised item(s) (the appraisal report) this clarification sheet, the credentials of the appraiser, the certification and any supplementary information deemed relevant. Documentation of the research undertaken to arrive at and support replacement value conclusions shall be kept in the appraisal workfile for a minimum of five years following the effective date of the report.

Insurance Appraisal:

The object of an insurance appraisal is to establish an accurate position of value and to provide sufficient support in the event replacement due to loss or damage becomes necessary. The valuation shall give the current, approximate cost of replacing the gem or jewelry article as closely as possible. In order to accomplish this, the appraisal shall take into consideration today's market prices (which shall include the most relevant, retail and/or secondary markets as determined by the appraiser), as well as current costs for labor, materials, creative design, certification and the precious stone and metal markets, as well as availability. The market and method chosen for valuation is generally cited in the body of the appraisal.

These values are the appraiser's best judgment and opinion and are not a representation or warranty that the article(s) will remain available or available at the values reported in the appraisal. Nor are they a warranty that they will realize that value if offered for sale. The replacement value listed may or may not represent price paid for the property.

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Ask Your Insurance Agent, Please:

There are several types of policies for insuring your jewelry and insurance claims can be dealt with in various ways. Some involve replacing a lost, stolen or damaged item in like kind, some result in a discount deducted from the value stated on the appraisal...and so on. Too often I hear, **"I thought it was covered, but it's not,"** so I've included the following information.

The "retail replacement value" on your appraisal is a carefully researched and calculated sum by which your premiums can be determined. The vital part of an insurance appraisal is the accurate descriptions of the appraised items because insurance companies insure the jewelry items, not their value. The goal is to be able to replace a piece with something just as valuable, like-for-like. The "like for like" concept is called *indemnity*. **You need to find out how your insurance company achieves indemnity.**

It is up to you to understand your coverage, what you really get in the event of a loss and the cost of this coverage to you. Start by asking about **scheduled coverage**, floaters and riders. **Ask about "Agreed Value" policies, "Replacement Cost" policies and make sure you understand "Actual Cash Value."** Diamonds, gems, and precious metals are costly commodities and their values can soar or sink independent of inflation. You may or may not want "elevator or escalator" protection (that is what it is called and your agent should be able to explain it) with but you do want to protect yourself by not going in blindly; question your agent carefully.

I find the following list of questions unnecessarily complicated. You don't need to read it but it is interesting.

1. What is full coverage?
2. Am I limited to the appraised replacement cost should there be a sizable increase in value? This question is fundamental.
3. What is the difference between scheduled coverage and unscheduled coverage?
4. Is there a deductible? How much? Do I have the option to increase the deductible and thus lower my premium?
5. Is my policy all-risk (par loss, damage, disappearance)?
6. Am I still covered if there is negligence or carelessness involved?
7. Is the item covered if lost, stolen or damaged while in the possession of others?
8. If there is a loss, do I have a choice of a full cash-out or will I have to accept less?
9. Can I go to whomever I wish for replacement?
10. If a loss has been replaced through the insurance company source, will I be allowed to verify proper replacement by an independent firm or appraiser?
11. Are there geographical limitations to coverage?
12. How much will it cost per thousand for full coverage?
13. Is depreciation ever imposed (to what and how is it computed)?
14. If there is damage to a piece, can I replace it or will I be limited to repair?
15. What if the lost is irreplaceable, like an antique?
16. Are there any security precautions required? Would there be a premium savings if special precautions were taken, i.e. the items were kept in a home safe or in a bank vault when not worn?
17. What proof is needed to justify a claim?
18. Are there different kinds of jewelry insurance?
19. Are there any exclusions?
20. What is the pair-and-set clause? Will the insurance cover an additional amount for matching a missing item in a set if it has not been computed or stated?
21. What types of property are covered?
22. Will you show me the actual language in the policy which addresses each concern I have mentioned?

Note that the insurance company's actual cost of replacement may be considerably lower than the retail replacement value stated in the appraisal. This could result in a cash settlement that is below the stated value.



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ASSUMPTIONS AND LIMITING CONDITIONS

-The appraiser assumes the ownership of the subject property is true as stated by the client.

-Subject diamonds were not tested for origin (natural or laboratory grown) or origin of color (natural or treated). Conclusive identification of origin and origin of color are possible only through advanced laboratory testing. Advanced laboratory testing to determine the natural or synthetic origin and natural or treated color origin of "melee" diamonds (diamonds approximately 0.001 – 0.20 ct.) is currently cost prohibitive. Based on the results of standard screening procedures including fluorescence and magnification combined with the manufacturer statement, diamonds approximately 0.001 - 0.020 ct. set in the subject jewelry items are assumed to be of natural origin and of natural color.

-Unless otherwise stated, all colored stones listed on this appraisal report have probably been subjected to various treatments to improve their appearance. Treatments are considered usual and customary practices when properly disclosed and when done without intent to defraud the consumer. The treatments are mostly stable and do not require special care. Some treatments are reversible and re-treatable. Prevailing market values are based on these universally practiced and accepted processes by the gems and jewelry trade. Detection of some treatments requires sophisticated equipment not found in a standard gemological laboratory. It is beyond the scope of the appraisal to determine exact treatment methods or the amount of treatment present. When a treatment is detected, and considered not to be "usual" it will be so noted.

-Because nature's gems do not fall precisely in the grading categories man makes for them, and since an appraisal is an opinion backed and supported by training, equipment and experience, it is important to understand that there can be honest variations between competent gemologists.

-Mounted diamonds and gemstones are graded only to the extent the mounting permits examination. If stated in the appraisal document, gem weights are estimated by standard, volumetric formula based on gemstone measurements as permitted by the mounting.

-A provisional diamond color grade (a range of two to three color grades) means the diamond was color graded while in its mounting.

-The appraiser does not guarantee that the item can be bought now or in the future at the stated approximate retail replacement cost.

-Regularly published industry sources regarding price are assumed to be reliable; the appraiser does not assume responsibility for their information.

-The appraiser assumes no responsibility with respect to any action that may be taken on the basis of this appraisal.

-In view of fluctuating market conditions, items must be appraised regularly to ensure current valuation and appropriate insurance coverage.

-This report may not be published in any medium without the express written consent of the appraiser.

-No changes may be made to this report by anyone other than the appraiser. The appraiser cannot be responsible for unauthorized alterations.

-Confidential information disclosed to the appraiser during the course of the assignment will not be disclosed to any unauthorized third parties, except by force of law.

-Intended users requiring further information than that contained in the report must obtain the written permission of the owner of the appraisal before the appraiser will discuss the report.

Possession of this report by anyone other than the named parties does not make one an intended user.

-Fees paid do not include the services of the appraiser for any future services. In particular, fees paid to date do not include any of the appraiser's time or services in connection with any statement, testimony or other matters before an insurance company, its agents, employees or any court or other body in connection with the property herein described. If the appraiser is requested to testify or to make any such statements to any third party concerning the described property and/or appraisal, the applicant shall pay the appraiser for all such time and services so rendered at the appraiser's then current rates.

By accepting this appraisal the customer agrees to its limitations.

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What I Do:

I produce a written appraisal of your fine jewelry, **often while you wait and watch**. It includes a photograph of your piece and will be accepted by your insurance company. In most cases, you will be able to leave my office with your completed documents. More than half the work I do consists of personal property appraisals for insurance documentation. My status as a *full-time, independent, Graduate Gemologist- Appraiser who does not buy or sell* means I also consult, appraise, and write reports for sales disputes, confirmation of purchase (does this item match the its seller's description?), bankruptcy or divorce evaluation, estate division, damage evaluation, antique and gem identification, and so on.

I offer gem and jewelry photography for those looking to sell or document their property. I consult on many gem and jewelry-related matters, offering education to help clients navigate their way. When we determine what is needed I can direct you to some of the many fine resources who can help with custom design, brokering, antique restorations, etc.

I Don't Guess: It will take me, on average, well over an hour to complete each item. The jewelry will be cleaned so that I can accurately grade its color, clarity and cut. Metal, design, and workmanship will be checked. Stones will be identified and gem-tested, if necessary. I don't take your jewelry apart to weigh your gemstones; instead, I carefully measure each mounted stone with gem instruments and use accepted mathematical formulas to estimate their weight. Under ideal conditions, I can determine the weight of a gem exactly. Other times, I will be close (that is, within accepted tolerances). If you have a GIA, AGS or other lab certificate, or if you have a store receipt, please bring it along. I will verify that the stone matches the certificate. In many cases, the certificate is cited in the finished appraisal. The certificate or receipt occasionally helps me crosscheck and refine my work, specifically regarding gem weights. GIA or many other lab graders will have had the opportunity to weigh and evaluate your stone loose, but I will be working within the limitations of your mounting and the stone measurements I am able to take. Regardless of whether or not there is a certificate or receipt or earlier appraisal, *I do all of my grading and measuring from scratch*.

What You Get: I arrive at the dollar value I assign your jewelry with market research for comps and with the help of *The Guide* and *The Rapaport Diamond Report*, among other sources. These are regularly published price guides, comparable to *The Kelley Blue Book* for cars, with comprehensive price charts reflecting current market conditions, based on carat weight, color, shape, clarity, and proportion grade. Comps in the correct market level are researched; manufacturers are frequently called, gem suppliers may be consulted. Antique pieces, unusual gems, and other specialty pieces often require additional research and time. Were it necessary to replace your ring, what would it really cost today?

Determining what your jewelry is worth is not merely writing a receipt. I determine first, in detail, exactly *what* your jewelry is. I then evaluate it in relation to the current market. Only then can I create an accurate and explicit document *describing* your jewelry, which is the crux of the work you are paying me to do. An appraisal document signed by an *independent* (I work for myself and I do not buy or sell jewelry) Graduate Gemologist who is **an unbiased, professional appraiser** is vital in the event of an insurance claim, purchase dispute, etc. In addition to providing appropriate insurance documentation, the appraisal should result in peace of mind for you regarding your purchase - or your sale. An appraisal clearly substantiates the bottom-line, or dollar-value, that it assigns. It provides the facts necessary to replace like-with-like.

The portfolio I give you includes basic information on diamond quality, as a list of questions to ask your insurance carrier. My credentials are also included so that both you and your insurance company know that your documents were prepared professionally.

I think you will be very pleased with the appraisals I produce for you.

Susan Schwartz, GG (GIA)



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Privacy Notice

Appraisers, along with all providers of personal financial services, are now required by federal law (Gramm Leach Bliley Act 1999) to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. We understand that your privacy is very important to you and are pleased to provide you with this information.

Types of Nonpublic Information We Collect

In the course of performing appraisals, we may collect what is known as "non-public personal information" about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received by us from others with your authorization.

Parties to Whom We Disclose Information

We do not disclose any non-public personal information obtained in the course of our engagement with our clients to nonaffiliated third parties except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

Confidentiality and Security

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your non-public personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

Please feel free to call us at any time if you have any questions about the confidentiality of the information that you provide to us.

Thank you, Susan Schwartz, GG (GIA)