

Assessing Your Property

A pre-fire inventory along with a videotape of all your property could prove to be a valuable record when making your claim.

When adjusting your fire loss or in claiming a casualty loss on your Federal income tax, you will have to deal with various viewpoints on the value of your property. Some terms used are listed below:

- * Your "personal value" is your attachment to and personal value of your property lost in a fire. Personal items have a certain sentimental value. This term is not meant to belittle their value to you but is used to separate feelings about the value from objective measures of value. It will be objective measures of value which you, the insurer, and the Internal Revenue Service will use as a common ground.

- * The "cost when purchased" is an important element in establishing an item's final value. Receipts will help verify the cost price.

- * Fair market value before the fire also is expressed as "actual cash value." This is what you could have gotten for the item if you had sold it the day before the fire. Its price would reflect its cost at purchase and the wear it had sustained since then. Depreciation is the formal term to express the amount of value an item loses over a period of time.

* "Value after the fire" is sometimes called the item's "salvage value."

* The cost to replace the item with a like, but not necessarily identical, item is the replacement cost.