



## MAKING THE RIGHT CHOICE: ADVICE ON CHOOSING A PROFESSIONAL APPRAISER

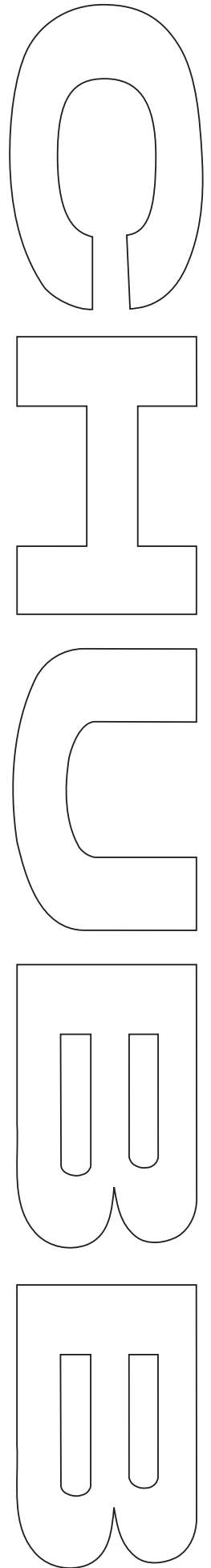
By *Renée N. Vara*

**W**ould you ever go to a doctor who didn't pass the board exams? Would you trust a contractor, without a license, to work on your home? Would you allow a non-certified mechanic to service your car? Probably not. Yet when it comes to your precious art collection, heirloom jewelry, prized antiques or other valuable possessions, perhaps you don't have the same high standards. Hiring appraisers or other professionals to help you care for your collection, however, should involve special considerations for making the right choice.

Perhaps you intend to hire an appraiser to establish an insurance value for your art collection. Maybe you need to establish the fair market value of antique furniture and other possessions. Or during the course of estate planning, you must determine the value of a prized painting.

Whatever your reasons may be for hiring an appraiser, consider the "THE FOUR E'S":  
**EXPERTISE, EXAMINATION, EXPERIENCE AND ETHICS.**

**EXPERTISE** is critical to an appraiser's ability throughout the appraisal process. Since there are many ways to acquire an education in art, whether it be through formal degree programs or a qualified internship, fellowship or apprenticeship, it is essential that the appraiser is well-schooled and knowledgeable. In addition, there are many distinct fields, such as gemology, Old Masters, Asian art, antiquities and modern art, where the knowledge of the history and culture to that specific field is necessary for the proper valuation of objects. Each field has its own lexicon, resources and references. The appraiser must thoroughly understand these in order to complete the research process, confirm provenance, and determine the object's proper value. This is not to suggest that every appraiser must have a formal degree, but certainly his or her education should include university-certified classes in appraisal practices, methodology, laws and standards. The best appraisers are those who have a combination of formal education and practical appraisal practices. Look for degrees



in areas such as art, architecture or decorative arts, in addition to certificates from appraisal courses, appraisal foundations or one or more of the leading appraisal organizations: Appraisers Association of America (AAA), American Society of Appraisers (ASA), and the International Society of Appraisers (ISA).

**EXAMINATION** is a requirement to achieve “membership” status in a professional appraisal organization. The ASA, AAA and ISA set standards to qualify the level of competency, and they actively require and proctor examinations in appraisal practice. These organizations require that each member be tested every five years in the Unified Standards of Professional Appraisal Practice (USPAP). This exam tests for standard requirements when producing quality written appraisals, but more importantly, it tests appraisers in ethical practices. In addition, most memberships will designate an appraiser as “certified” in an area of specialty, such as stamps or vintage cars, by requiring them to take one or more specialty certification exams. All of the organizations require continuing education and re-examination within five years to ensure they are abreast of changes in laws, appraisal methodology, and ethical standings.

**EXPERIENCE** is integral not only to providing the appropriate appraisal (in terms of value), but also in terms of lending advice in the appraisal process. For instance, an experienced appraiser would know the IRS requirements and legal forms necessary to help prevent a tax deduction for a fine art donation from being questioned or denied. It is recommended that the appraiser have at least five years of field experience, which is the minimum amount of experience necessary for membership status in the appraisal organizations noted above. An appraiser with rare expertise should also have some specialized training. In working with Japanese calligraphy, for example, the average westerner cannot attain a level of competency without working directly with the objects and examining their particular nuances, techniques and craftsmanship.

**ETHICS** are essential to ensure that the value, security and privacy of both the collection and the family are preserved. Collectors should take great measures in confirming the ethical standings of employees and consultants who are responsible for managing different aspects of the family’s affairs. An appraiser should not be exempt from such screening. Given the number of well-publicized cases involving art theft, falsifying values of objects, illegal importation of antiquities, and other criminal acts, it is worthy to note that many of the people involved were not strangers to the collection. Therefore, it is important that you check references of an appraiser, require privacy and confidentiality agreements, and undertake background checks if necessary.

In addition to these considerations, you may want to use the following checklist as a guide when choosing an appraiser:

## **TEN STEPS TO CHOOSING THE RIGHT APPRAISER**

### **STEP 1:**

Obtain a recommendation from a trustworthy source — such as a knowledgeable museum professional, satisfied client, reputable dealer, established auction house specialist, or a trusted colleague or collector. Check out references in your local area to confirm the appraiser’s general ethical standing in the community, as well as his or her competency. If you do not have access to referrals, consider calling one of the three professional appraisal organizations: AAA, ASA or ISA.

### **STEP 2:**

Assess the type of collection and its specific needs. Is the collection a mixture of furniture, silver or china? Alternatively, is the collection rare or esoteric, such as a collection of Greek attic vases or Etruscan coins? Each collection, based on its composition, will require an appraiser with different skill sets.

### **STEP 3:**

Once you have a list of names, assess the level of experience of each appraiser. It is generally a good idea to hire only members of an appraisal organization, since these appraisers have met basic requirements (typically three to five years of experience and testing in their specialty). If you choose an “associate” of an appraisal organization, be sure that he or she

has the proper field practice (such as museum experience, dealer or antique shop experience, etc.) to assure competency, since associates still have not met the full requirements for membership. Do not choose “friends” of the organization, as these are paid memberships that do not require any type of admission standards.

**STEP 4:**

Determine whether the appraiser is a generalist or has an area of specialty. For example, a collection of Old Masters paintings requires an appraiser with advanced education, sophisticated field experience, and multi-language skills, so select an appraiser who is a specialist in Renaissance painting, not continental decorative arts. If the collection includes highly valued jewelry, be sure the appraiser is, at minimum, a graduate gemologist and has access to a certified gemology lab. An appraiser with a jewelry certificate from a continuing education program typically does not have specific technical knowledge or sophisticated laboratory equipment required for more valuable items.

**STEP 5:**

For large or very expensive collections, it is generally recommended that the chosen appraiser be a distinguished member and achieved “certified” status in one of the three appraisal organizations noted above. The certified appraiser has a minimum of five years of experience and has passed proctored exams in the appropriate field of expertise, in addition to meeting professional standards for appraisal practices — qualifying them to do appraisals for estate, insurance and IRS purposes. The appraiser should also be tested in USPAP, which is required every five years to certify professional standards and ethical practices according to the Appraisal Foundation.

**STEP 6:**

Ask for the appraiser’s curriculum vitae (CV). This is a professional résumé, which will articulate how well the appraiser has met “The Four E’s”: experience, expertise, examinations and ethics.

**STEP 7:**

The résumé should also mention special training or graduate degrees, such as a Ph.D., master’s or gemology degree. Also consider the amount of time the appraiser has spent in the field and the breadth of his or her experience. Watch out for appraisers who dabble in the profession and are not experienced enough in any particular area.

**STEP 8:**

If it is the first time you are employing an appraiser, ask for a sample appraisal. All appraisals should conform to USPAP standards and should state this clearly on the professional appraisal. If the appraiser is not familiar with such standards, he or she is most likely not qualified for the job. For example, at a minimum an appraisal should include the following: 1) statement of purpose (insurance, donation, etc.) 2) sworn statement of objectivity from appraiser 3) signature of appraiser 4) full description and identification of objects or items 5) firm statement of value (not ranges or estimates) 6) condition of objects and provenance 7) discussion of how value was arrived at with supporting documentation.

**STEP 9:**

Ask the appraiser to explain the fee structure. Fees should be based on an hourly, daily or set rate, which most often excludes the cost and time to travel. The fee should *never* be commission-based, depending on the value of the appraised items. This practice is considered unethical and against the oath of professional practices of the three professional appraisal organizations. Commission-based fees are worthy of expulsion from the professional appraisal organizations and have been, in some cases, found illegal in federal court.

**STEP 10:**

If you need to use appraisers for various situations, develop good relationships with a few appraisers who have different skill sets and expertise. Once you have a few reliable contacts, you can rely on them as a source for future recommendations. It’s important to keep in contact with appraisers you may use, as sometimes their professional profiles or services may change.

## ADDITIONAL RESOURCES

Appraisers Association of America, [www.appraisersassoc.org](http://www.appraisersassoc.org) 212-889-5404

American Society of Appraisers, [www.appraisers.org](http://www.appraisers.org) 1-800-272-8258

International Society of Appraisers, [www.isa-appraisers.org](http://www.isa-appraisers.org) 1-888-472-4732

The Appraisal Foundation, [www.appraisalfoundation.org](http://www.appraisalfoundation.org) 202-347-7722

Lerner, Ralph. Art Law: The Guide for Collectors, Investors, Dealers, and Artists (Second Edition). Practising Law Institute, 1998.

Uniform Standards of Professional Appraisal Practice. The Appraisal Foundation, 2002.

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