

COMPREHENSIVE FORMAL DEMAND FOR APPRAISAL

Date: March 20, 2024

CERTIFIED MAIL #7023 2345 6789 0123 4567 - RETURN RECEIPT REQUESTED

Atlantic Mutual Insurance Company
Attn: Thomas Mitchell, Senior Adjuster
Attn: Appraisal Department
500 Corporate Plaza
Atlanta, GA 30303

Re: FORMAL DEMAND FOR APPRAISAL - IMMEDIATE RESPONSE REQUIRED

Claim #: HO-2024-45892

Policy #: ATL-HOME-789456

Date of Loss: December 28, 2023

Your Valuation: \$38,500

My Documented Value: \$124,750

Difference: \$86,250 (224% variance)

Dear Mr. Mitchell:

Pursuant to the Appraisal provision of my insurance policy, I hereby make formal written demand for Appraisal to resolve our substantial dispute regarding the amount of loss. After 3 months of negotiations, we remain at impasse on valuation issues that appraisal can efficiently resolve.

I. APPRAISAL IS REQUIRED AND APPROPRIATE

A. Policy Provision (Page 47)

Your policy's appraisal clause states:

"If you and we fail to agree on the amount of loss, either party may make written demand for an appraisal. Each party will select a competent, independent appraiser within 20 days of receiving written demand from the other party. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a judge of a court of record in the state where the residence premises is located select an umpire. The appraisers will then appraise the loss, stating separately the actual cash value and the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit only their differences to the umpire. A written award agreed upon by any two will determine the amount of loss."

B. All Conditions Precedent Satisfied

Requirement	Status	Evidence
Disagreement on amount exists	✓ Complete	\$86,250 difference
Good faith negotiations attempted	✓ Complete	3 months of discussions
Written demand made	✓ This letter	Certified mail
Coverage determined/agreed	✓ Yes	Your payments confirm
Timely demand	✓ Within policy period	83 days since loss

C. Legal Requirement to Participate

- Appraisal is mandatory when properly invoked
- Refusal breaches insurance contract
- Courts compel participation
- Bad faith to refuse without cause

II. SPECIFIC DISPUTES FOR APPRAISAL

A. Scope of Repair Disputes

Item	Your Position	My Position	Difference	For Appraisal
Structure				
Drywall replacement	1,800 sq ft	3,200 sq ft	1,400 sq ft	Yes
Insulation	Wall only	Wall + ceiling + attic	\$4,800	Yes
Flooring	Patch 3 rooms	Full replacement all affected	\$12,500	Yes
Painting	Affected rooms	Entire floor for matching	\$5,800	Yes
Framing repairs	8 studs	24 studs + plates + headers	\$3,600	Yes
Electrical rewiring	None	Required per code	\$8,500	Yes
Subtotal Structure:	\$38,500	\$95,000	\$56,500	

B. Pricing and Labor Rate Disputes

Category	Your Rate	Market Rate	Difference	Documentation
Drywall labor	\$28/hour	\$52/hour	86%	Union scale docs
Electrician	\$55/hour	\$110/hour	100%	Licensed rates
Plumber	\$65/hour	\$125/hour	92%	Industry survey
General labor	\$20/hour	\$38/hour	90%	Prevailing wage

Category	Your Rate	Market Rate	Difference	Documentation
Impact on claim:			+\$18,500	

C. Additional Living Expense Disputes

Month	Your Calculation	Actual Expenses	Difference
Month 1	\$1,500	\$4,200	\$2,700
Month 2	\$1,500	\$4,200	\$2,700
Month 3	\$1,000	\$4,200	\$3,200
Month 4	\$0	\$4,200	\$4,200
Total ALE:	\$4,000	\$16,800	\$12,800

D. Contents Valuation Disputes

Category	Your Depreciation	Appropriate Value	Difference
Electronics	80% depreciation	20% (2-year life)	\$3,800
Furniture	65% depreciation	15% (8-year life)	\$5,200
Clothing	60% depreciation	10% (seasonal)	\$1,950
Total Contents:	\$8,500	\$19,450	\$10,950

E. Code Upgrade Disputes

Requirement	You Acknowledge	Actual Cost	Included?
GFCI outlets	Not covered	\$1,850	Should be
Arc-fault breakers	Not covered	\$2,400	Should be
Egress windows	Not covered	\$4,200	Should be
Total Upgrades:	\$0	\$8,450	Disputed

III. MY APPRAISER DESIGNATION

I hereby designate as my competent and independent appraiser:

James Patterson, CPPA
Senior Public Adjuster, License #GA-PA-4578
Patterson Claims Consultants, LLC
2100 Peachtree Road, Suite 450
Atlanta, GA 30309
Phone: (404) 555-8901 | Email: jpatterson@pcclaims.com

Qualifications:

- 18 years property loss experience
- Certified by American Association of Public Insurance Adjusters
- Licensed in Georgia since 2006
- No conflicts of interest
- Available immediately

Confirmation of Independence:

- No financial interest in outcome beyond standard fee
- No prior relationship with Atlantic Mutual
- No employment by insurance industry
- Will provide sworn affidavit of independence

IV. YOUR APPRAISER DESIGNATION REQUIREMENTS**Timeline**

You must designate your appraiser within 20 days of receiving this demand (by April 9, 2024).

Required Information

Please provide:

1. Appraiser name and contact information
2. Professional qualifications and license
3. Confirmation of independence
4. Availability for immediate start
5. Any conflicts of interest disclosure

Appraiser Qualifications Required

Your appraiser must be:

- Licensed in Georgia
- Experienced in property loss evaluation
- Independent (not employee or regular vendor)
- Available to complete within 60 days

- Willing to work collaboratively

V. UMPIRE SELECTION PROCESS

After Both Appraisers Designated:

Step 1: Appraiser Agreement (Days 21-35)

- Appraisers attempt to select umpire
- Must be truly neutral party
- Cannot be affiliated with either side

Step 2: If No Agreement (Day 36)

- Either party may petition court
- Judge selects from qualified candidates
- Court costs split between parties

Suggested Umpire Candidates

To expedite, I suggest these qualified umpires:

1. Hon. Margaret Stevens (Ret.), Former Superior Court Judge
2. William Chen, P.E., Construction Expert, 30 years experience
3. Patricia Williams, CPCU, Independent Insurance Consultant

VI. APPRAISAL PROCESS FRAMEWORK

A. Proposed Timeline

Phase	Days from Demand	Activities
Appraiser selection	1-20	Both parties designate
Umpire selection	21-35	Appraisers agree or court
Document exchange	36-45	Estimates, reports, photos
Joint inspection	46-50	Both appraisers together
Appraisal efforts	51-70	Attempt agreement
Umpire involvement	71-85	If needed for disputes
Award issuance	86-90	Written, signed award

B. Proposed Procedures

1. Document Exchange

- All estimates and invoices
- Expert reports
- Photographs and videos
- Scope documentation
- Price substantiation

2. Joint Inspection Protocol

- Both appraisers inspect together
- Document areas of agreement
- Identify specific disputes
- Measure and photograph

3. Award Format Award should specify:

- Replacement Cost Value (RCV)
- Actual Cash Value (ACV)
- Depreciation calculations
- Line-item breakdown
- Separate building/contents

VII. ISSUES NOT FOR APPRAISAL

The Following Remain Outside Appraisal:

Coverage Questions:

- Policy interpretation
- Exclusion applicability
- Conditions compliance
- Fraud allegations
- Bad faith claims

Legal Issues:

- Statutory violations
- Interest calculations

- Attorney fees
- Penalty assessments
- Extra-contractual damages

These issues reserved for separate resolution if necessary.

VIII. PAYMENT OF UNDISPUTED AMOUNTS

Amounts Not in Dispute - Pay Immediately:

Category	Agreed Amount	Paid	Owed Now
Emergency mitigation	\$6,200	\$2,000	\$4,200
Temporary repairs	\$3,800	\$0	\$3,800
Initial structure	\$28,500	\$28,500	\$0
Contents minimum	\$8,000	\$8,000	\$0
ALE (1 month min)	\$4,200	\$0	\$4,200
Total Due Now:			\$12,200

Withholding undisputed amounts during appraisal violates:

- Policy terms requiring prompt payment
- State prompt payment statutes
- Good faith obligations

IX. APPRAISAL COSTS AND FEES

Standard Cost Allocation:

Expense	Typical Cost	Responsibility
My appraiser	\$3,500-5,000	I pay
Your appraiser	\$3,500-5,000	You pay
Umpire	\$4,000-6,000	Split 50/50
Inspection	\$750-1,500	Split 50/50
Court (if needed)	\$500-1,500	Split 50/50

Fee Advancement

I am prepared to advance my share of costs immediately.

X. CONSEQUENCES OF NON-COMPLIANCE

If You Refuse or Delay Appraisal:

1. Breach of Contract

- Material breach of policy terms
- Excuses my further performance
- Enables immediate suit

2. Bad Faith Exposure

- Refusal evidences bad faith
- Statutory penalties apply
- Punitive damages possible

3. Judicial Remedies

- Court will compel appraisal
- Award attorney fees
- Possible sanctions

4. Regulatory Action

- DOI complaint for violation
- Pattern practice investigation
- Administrative penalties

XI. PRESERVATION NOTICES

Evidence Preservation Required:

- All claim file documents
- All estimates and reports
- All photographs/videos
- All correspondence
- All internal communications

No Ex Parte Communications:

- No private contact with appraisers
- All communications documented
- Transparency required

XII. GOOD FAITH PARTICIPATION COMMITMENT

I Commit To:

- Reasonable appraiser selection
- Full document disclosure
- Collaborative process
- Acceptance of fair award
- Prompt completion

I Expect You To:

- Timely appraiser designation
- Qualified, independent selection
- Complete documentation
- Good faith participation
- Prompt payment of award

XIII. RESPONSE REQUIRED

Within 20 Days, You Must:

Option 1: Accept Appraisal

- Designate your appraiser
- Confirm participation
- Pay undisputed amounts
- Propose schedule

Option 2: Object to Appraisal

- State specific legal grounds
- Cite supporting authority
- Explain alternative proposal
- Risk consequences outlined above

Failure to respond within 20 days will be deemed:

- Waiver of appraisal rights
- Acceptance of my valuations

- Breach of contract
- Evidence of bad faith

XIV. BENEFITS OF APPRAISAL

For Both Parties:

- Avoids expensive litigation
- Faster resolution (60-90 days)
- Less adversarial process
- Binding determination
- Preserves relationship

Cost-Benefit Analysis:

- Litigation cost: \$50,000-150,000+
- Litigation time: 1-3 years
- Appraisal cost: \$7,000-12,000
- Appraisal time: 60-90 days

CONCLUSION

The substantial difference in our valuations (\$86,250) necessitates appraisal. I have properly invoked this contractual remedy. Your participation is mandatory, not optional.

Appraisal offers efficient resolution of our amount dispute while preserving other rights and claims. I am committed to good faith participation and expect the same from you.

Your prompt designation of a qualified appraiser will begin the process toward fair resolution.

Time is of the essence. Please respond within 20 days.

Respectfully,

Michael and Jennifer Thompson

1847 Magnolia Lane

Alpharetta, GA 30022

(770) 555-3456 | mjthompson2024@email.com

Enclosures:

- Three detailed estimates

- Engineer report
- Photo documentation (USB drive with 247 images)
- ALE receipts
- Contents inventory
- Policy pages with appraisal clause

cc:

- James Patterson, My Designated Appraiser
- Wilson & Associates, Attorneys at Law
- Georgia Department of Insurance
- Claim File