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Enservio Finds Guns & Ammo Overvalued in Claims

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“Member of the Family” sentiment increases perception of value

Enservio, Inc., a provider of software and services across the entire value chain of contents claims processing, announced that firearms and ammunition are commonly overvalued in insurance claims from more than 50 percent to 126 percent respectively. Enservio data also finds that approximately 10 percent of the \$2 billion in claims it processes annually contain guns, ammo and firearm accessories.

According to GunPolicy.org, the estimated rate of private gun ownership (both licit and illicit) in America is 101.05 firearms per 100 people, making the U.S. the highest per capita in the world for the possession of firearms.



“The chances of a field adjuster or claims inventory professional finding a gun while on the job are extraordinarily high,” said Enservio Senior Contents Consultant Chad Horlbogen, who has 26 years of advanced firearms experience and tactical weaponry training. “Americans love their guns, but valuing them can be difficult. Being a specialty item, firearms have unique characteristics that claim pros need to know about in order to fairly reimburse or replace

these items correctly.”

A common perception held by policyholders is that guns depreciate very little and are worth more than what they paid for them—in some cases, more than retail value. One reason for this thinking is due to the fact that they are constructed of solid, lasting materials.

“Many people believe that all guns appreciate in value. They are often passed down between generations, and considered a member of the family,” added Horlbogen.

State and federal restrictions placed on purchasing guns can also amplify their perceived values. For these reasons Enservio recommends obtaining expert appraisal on this specialty product category.

Additional Findings

Handguns: Average policyholder claims \$285; actual cash value is \$186

Rifles: Average policyholder claims \$291; actual cash value is \$186

Rifle Ammunition: Average policyholder claims \$104; actual cash value is \$46

Rifle Magazines: Average policyholder claims \$36; actual cash value is \$10

Shotgun scopes: Average policyholder claims \$62; actual cash value is \$31

In an effort to educate claims adjusters on the key value factors behind valuing firearms and ammo, interested parties can tune in to hear Chad Horlbogen present a 30-minute webinar on “Best Practices for Valuing Firearms” by visiting: <http://www.enservio.com/web-overview/firearms-on-demand-webinar>