

## When Appraisals Go Wrong: The Hidden Drivers of Claim Severity

Appraising heavy equipment and commercial trucks is too often treated as a routine administrative step. In reality, it is one of the most critical phases in the claims process. A miscalculated valuation can trigger a cascade of problems: supplements, disputes, litigation, reputational damage, and frustrated policyholders sidelined by delays.

The stakes are rising. Equipment replacement costs are climbing, parts shortages persist, and customized machinery is harder to value more than ever. For insurers, MGAs, and risk managers, the message is clear: accurate, expert appraisals are the foundation of effective claims handling.

### Executive Summary: The Veritas Advantage

**Our Supplement Ratio:**  
10%-14%

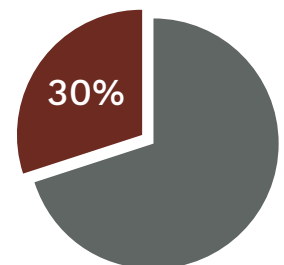
**Industry Average:**  
20%-25%

**The Bottom Line:**  
Our precision cuts supplement rates by nearly half, directly reducing indemnity leakage and accelerating cycle times.

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Claims handling expenses already account for up to 30% of insurer costs, with a significant portion driven by inefficiencies and rework tied to weak appraisals. In commercial trucking, these inefficiencies are stark: industry supplement averages range from 20% to 25%. These are not just numbers; they represent millions of dollars in indemnity leakage, prolonged cycle times, and unnecessary friction in the claims process.



## The Veritas Difference: A Singular Focus in a World of Generalists

Veritas operates the only appraisal group in the country solely dedicated to heavy equipment, trucking, and specialized machinery—with coverage in all 50 states. Unlike general property or auto appraisers, our team is composed entirely of specialists. This is a critical distinction. Many appraisal firms spend less than 15% of their resources handling heavy equipment. At Veritas, it is 100% of what we do. This singular focus ensures every appraisal is grounded in deep, firsthand knowledge of the asset, leading to unparalleled accuracy and defensibility.

### The Ripple Effect of Inaccuracy

**Body:** An initial miscalculation creates more than just a supplement. It triggers a cascade of costly operational and financial consequences that drive up claim severity.

- **Financial Leakage:**  
Overpayment on repairs, unnecessary replacement costs, and inflated rental fees directly impact indemnity costs.
- **Operational Drag:**  
Each supplement adds touchpoints, creates delays, and extends cycle times, frustrating adjusters and policyholders alike.
- **Eroded Trust:** Inaccurate valuations lead to disputes and negotiations that can damage the carrier-policyholder relationship and harm retention.
- **Litigation Risk:**  
Poorly documented or indefensible appraisals create vulnerabilities that can easily escalate into costly legal challenges.

## Unmatched Scope of Expertise

Our specialization covers a comprehensive range of assets:



Tractor-Trailers



Specialty Heavy Equipment



Construction Equipment



Rail Assets, RVs & Marine



Agricultural Machinery



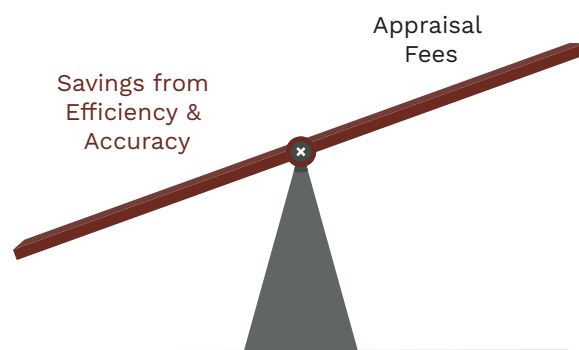
Emerging Technologies like EVs



## From Cost Center to Value Creator: A Better Bottom Line

An accurate appraisal does more than just close a file—it creates significant financial value. By delivering reports that are right the first time, Veritas turns appraisal services into a “**zero-cost center.**”

The efficiencies gained through fewer touchpoints, faster cycle times, and the elimination of indemnity leakage often exceed the cost of the appraisal itself. This value proposition can be visualized as a seesaw, where the modest cost of the appraisal fee is far outweighed by the significant savings generated from reduced leakage and accelerated cycles.



This is achieved by:

- ✓ **Reducing Indemnity Leakage:**  
Preventing overpayment on repairs and replacements.
- ✓ **Accelerating Cycle Times:**  
Eliminating the delays caused by supplements and disputes.
- ✓ **Providing Defensible Reports:**  
Giving adjusters the documentation needed to confidently settle claims and minimize litigation risk.

With the operational costs of trucking rising and disputes over valuations climbing, having a partner with deep, specialized knowledge is no longer a luxury. It is essential for managing risk and controlling costs.

### The Unseen Path to Savings

Veritas appraisal on a specialized crane saved a client over **\$100,000** by identifying a repair path that general estimate tools had deemed unrecoverable.



## The Proof:

# Leadership Proven by Results and Client Trust

Our clients' feedback demonstrates the real-world impact of our specialized approach. These are not scripted testimonials; they are the unfiltered reactions of adjusters and claims managers facing complex challenges.

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*"This was a tough one internally to resolve, and you **handled it with precision.**"*

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National Carrier, on a complex tractor-trailer loss

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*"The report was excellent. **We will use your services more often.**"*

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Adjuster, after a detailed package was delivered ahead of schedule

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*"Thank you for the miracle."*

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Client, after a Veritas appraisal brought closure to a long-standing dispute

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*"I appreciate the **quick turnaround.** Have a great weekend!"*

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Adjuster, on receiving a completed file ahead of schedule

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## Leadership in Appraisal

In a market where valuation disputes are climbing and carriers face mounting pressure to control claims expenses, Veritas stands apart. With nationwide reach and unmatched expertise, we deliver appraisals that are accurate, defensible, and fast. For clients who demand precision and accountability, Veritas is not just an appraisal provider—it is a strategic partner ensuring every file moves forward with clarity and confidence.

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## References

- [1] McKinsey, Insurance 2030 Report
- [2] CCC Intelligent Solutions, Crash Course Report 2024
- [3] American Transportation Research Institute, Operational Costs of Trucking Report 2024
- [4] Insurance Journal, 2024 EV Trends Report
- [5] American Society of Appraisers, 2024 Trends

