



DETERMINING MARKET VALUE

Although we no longer require the use of the E2Value Report, if you wish to use E2Value as a part of the process to determine an accurate 'market value', please continue to do so. When using E2Value, remember to always select both the **“Functional Replacement Cost”** and **“Actual Cash Value”** options. *You can link to their site by clicking on the “Go to E2Value” button located in BriteCore under the “Risk” tab within each policy.*

Your underwriter will be requiring documentation from either <http://www.tnrealestate.com>, <http://www.assessment.state.tn.us>, or the sale or contract price (minus land) on a recent purchase. The most accurate valuation will be the new purchase or recent build price.

Our goal, first and foremost, is to protect the insured's investment.

Please remember that Farmers Mutual of Tennessee has always used a market value approach to structure valuation. "The tools" or "the process" to determine market value may vary. E2Value, assessment data, tnrealestate, Zillow, Trulia are just tools but not a valuation lock.

Refer to the Structure Valuation section in your underwriting manual for guidance on determining market value. When considering the price per square foot for structures each area of the state will be different so it will be important to know that price for the areas you serve. Please contact your underwriter if you need assistance.

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THE FOLLOW IS GUIDANCE FROM THE ‘FMT UNDERWRITING MANUAL’ – SECTION 3A

STRUCTURE VALUATION

Farmers Mutual of Tennessee has always used a market value approach to structure valuation. We rely on agents to help determine this value based on condition and knowledge of the area where business is written.

The most accurate valuation will be the new purchase or recent build. The market value for these are established by the sale or contract price minus the cost of the land.

If the above factors are not viable, use square footage guidelines along with other area sources (i.e., local real estate office) to determine an accurate value. *While not a valuation lock, it can be a good check and balance.*

General Property Valuation Guidelines

The specific price per square foot depends on your area of Tennessee. The following numbers are not set in stone but 'guidelines'. Real estate appraisals are good but remember they are often trying to meet loan requirements. As always, maintenance, pride of ownership, workmanship, upgrade amenities and style of house are factors.

Generally speaking, properties that qualifies for:

- **Special or Preferred Form**

\$75 - \$85 per square foot (ground level)

\$35 - \$40 per square foot (upper and lower levels)

- **Broad or Above Standard Form**

\$60 - \$70 per square foot (ground level)

\$25 - \$30 per square foot (upper and lower levels)

- **Basic or Standard Form**

\$40 - \$50 per square foot (ground level)

\$15 - \$20 per square foot (upper and lower levels)

- **Additional Value Guidelines**

Decks \$8 - \$10 per square foot

Covered Porch \$15 - \$20 per square foot

Attached Garage \$25 - \$30 per square foot

- **Barns**

Traditional hay and tobacco \$8 - \$10 per square foot

Newer frame and metal clad \$12 - \$15 per square foot

- **Churches**

Pews and altars included \$85 - \$100 per square foot

- **Mobile Homes**

New mobile homes - Purchase price (*excluding finance charge, transportation costs, etc.*)

Used mobile homes - We use the latest edition of *The Manufactured Housing Guide of the National Automobile Dealers Association (N.A.D.A)* to determine the depreciated value of older homes.