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APPRAISAL CLAUSE · POLICYHOLDER GUIDE

*Why your appraiser does not send one, and how to respond when an insurer asks for it.*

appraisalengine.com/company/letter-of-representation-vs-the-appraisal-clause-why-your-appraiser-does-not-send-one/

Atlanta, GA　　Total Loss & Diminished Value　　Nationwide, USPAP Compliant

When a policyholder invokes the appraisal clause on an auto claim, insurers sometimes respond with a request that sounds routine but is legally out of place: please provide a letter of representation for our insured. An appraiser appointed under the appraisal clause does not send a letter of representation, and no policy provision requires one.

**QUICK ANSWER**

A letter of representation is an attorney instrument. An appraiser is a selected, impartial valuation expert, not legal counsel. Confirming that the insured retained your firm is all the insurer legitimately needs. Correct the framing, confirm the appointment, and keep the claim moving.

## What a Letter of Representation Actually Is

A letter of representation is an attorney instrument. A lawyer sends it to notify an opposing party or an insurer that the lawyer now represents a client. It carries real legal weight. Once it lands, the represented party generally cannot be contacted directly, and communications route through counsel under the applicable rules of professional conduct.

That mechanism has nothing to do with appraisal. An appraiser is not counsel. An appraiser does not speak for the insured in a legal sense, does not negotiate the claim, and does not step between the insurer and the policyholder. Asking an appraiser for a letter of representation applies attorney machinery to a role that was never legal representation to begin with.

### Letter of Representation

A legal notice that counsel now represents a party. Triggers contact rules and routes communication through the attorney.

**SENT BY AN ATTORNEY**

### Appraisal Engagement

A selected, competent, and impartial expert retained to value the loss under the policy. No legal representation involved.

**PROVIDED BY AN APPRAISER**

## What the Appraisal Clause Actually Says

Read the clause in almost any auto policy and the language is narrow. Each party selects a competent and impartial appraiser. The two appraisers then agree on the value in dispute, or if they disagree, they select an umpire. That is the entire mechanism.

Notice what the clause does not say. It does not ask the insured to prove appointment through a formal letter. It does not require the appraiser to file paperwork announcing representation. It does not create a gate the policyholder must clear before the process begins. The insured **selects** an appraiser. The clause contemplates a party appointed and impartial valuation expert, not a legal agent.

## Why the Confusion Happens

Most adjusters are not trying to build a wall. In practice, the phrase is often loose shorthand for a simpler question: has this appraiser actually been retained by our insured, or is someone freelancing on a claim they have no connection to? That is a fair thing to want confirmed.

The fix is not a formal legal document. It is a single line of confirmation. When your appraisal firm states in writing that the insured has retained it to appraise the vehicle under the appraisal clause, the insurer has exactly what it legitimately needs. Appointment is confirmed. The valuation can begin.

Problems start when a loose request hardens into a demand, and a demand becomes a delay. A policyholder who has already invoked a contractual right should not have to satisfy a requirement the contract never imposed.

## How to Respond

**01** **Correct the framing.**

State plainly that an appraiser appointed under the appraisal clause is not a legal representative, so a letter of representation does not apply.

**02** **Give the insurer what it actually needs.**

Confirm in the same message that the insured has retained your firm to serve as appraiser, and reference the claim number and vehicle so there is no ambiguity about scope.

**03** **Push the process forward.**

Ask for the insurer's appraiser and contact information so the two appraisers can coordinate. This converts a defensive exchange into a forward step and puts the next move on the carrier.

You win the substance and concede nothing, because confirming appointment is not the same as accepting the representation framing.

## If the Insurer Keeps Pushing

Some carriers will restate the request even after a clear reply. You are not obligated to produce a letter of representation, and you should not adopt language that misdescribes the appraiser's role. If you want to end the back and forth quickly, the cheapest path is a short appointment note signed by the insured confirming that the named firm is their selected appraiser. That satisfies any internal checkbox without accepting the attorney framing and without slowing the claim. Reserve that only for a genuine stall. In most files, a confirmation of retention inside your reply is enough.

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## The Bottom Line

The appraisal clause gives the policyholder a contractual right to a fair valuation through a selected independent appraiser. It does not require a letter of representation, and an appraiser is not the party who would ever send one. When an insurer asks for it, treat the request as imprecise wording rather than a real requirement. Correct the framing, confirm the appointment, request the carrier's appraiser, and keep the claim moving.

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## Facing added requirements the policy never mentions?

If you are dealing with a total loss or diminished value dispute and an insurer is layering on requirements the policy never lists, that is exactly the kind of friction a qualified independent appraiser is there to cut through.

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