

The Truth About “Industry Standard Pricing” in Water Mitigation

When dealing with an insurance claim after a water damage incident, many homeowners are told their contractor's charges exceed the "industry standard pricing." This phrase is often used by insurance companies to suggest there's a universal and legally binding cost list for restoration work. But here's the reality — no such binding standard exists. Falling for this myth could end up costing you thousands of dollars out of pocket.

1. There's No Central Authority Governing Water Mitigation Pricing

In contrast to industries like auto repair — where manufacturer guidelines set fixed pricing — the water damage restoration industry has no regulatory body that sets prices. Restoration costs are determined by market conditions, including the cost of materials, labor, overhead, and the contractor's level of risk. Every project is different, and so is its pricing.

2. Xactimate and Symblity Are Tools — Not Pricing Rules

Insurance carriers frequently reference pricing data from software platforms like Xactimate and Symblity. While these programs offer pricing estimates, even their terms of use clarify that these are merely guidelines. They are not mandates. In fact, both platforms explicitly allow contractors to adjust pricing to match actual conditions in the field. Following their listed prices without adjustment often results in underestimating the real cost of the work.

3. Your Contract Sets the Legal Standard

The legally binding price for your restoration project is what you and your contractor agreed to in writing. This contract, along with the actual work performed and costs incurred, defines what is considered “customary and reasonable” — not a software price list or your insurance company's opinion. The insurer's role is to reimburse you for the agreed-upon work, not to renegotiate it after the fact.

4. Pricing Varies Greatly by Region

Water mitigation in cities like Washington, D.C., Miami, or New York comes with significantly higher costs than in rural areas like Ohio. Local labor rates, materials, taxes, and operational expenses vary widely. Applying a blanket “standard price” to every location ignores the economic realities that influence local pricing. Fair reimbursement must reflect local conditions, not a national average.

5. “Standard Pricing” Is Often a Cost-Cutting Strategy

When an insurance company insists your contractor is charging above the “industry standard,” it's typically a tactic to reduce their financial obligation. It's important to remember that

insurance carriers are for-profit businesses with a responsibility to maximize shareholder returns. This means minimizing claim payouts whenever possible. However, your policy entitles you to full restoration based on actual, reasonable costs — not the insurance company's lowest preferred numbers.

What You Need to Know:

- Water mitigation pricing is market-based, not dictated by software estimates.
- Your signed contract determines what's reasonable — not a third-party pricing tool.
- Insurers are legally required to reimburse you for real-world costs incurred to restore your property.

How to Protect Yourself:

- Ask your insurance adjuster to show where in your policy it states that pricing must match Xactimate or any software-generated rate.
- Insist on full reimbursement based on the scope of work, price, and contract you agreed to.
- Consider working with professionals — such as Restoration Doctor — who understand these issues and can advocate for your right to a fair claims process.