

# Understanding Comparative Estimates: Why They're Often Misleading and Unfair

If you've ever filed a water damage claim, you may have encountered a document from your insurance company called a "comparative estimate." At first glance, it might appear to be just a second opinion. However, these estimates often serve as strategic tools insurers use to reduce the amount they pay out on claims.

Below, we break down what these estimates are, why they can be problematic, and how you can protect yourself.

## 1. What Is a Comparative Estimate?

A **comparative estimate** is typically generated by either:

- An insurance company's staff adjuster, or
- A third-party reviewer hired (and compensated) by the insurance carrier.

Importantly, these individuals do **not** visit your property. Instead, they review photos, drying logs, and invoices after the restoration work is already completed. Their objective is clear: to produce a modified version of your contractor's bill — one that includes reduced pricing, fewer services, and minimized costs. This allows the insurer to justify paying you less.

## 2. Why Are Comparative Estimates Misleading?

These estimates can be highly inaccurate for several reasons:

- **No on-site inspection:** The person creating the estimate never steps foot on your property. They rely solely on secondhand information such as photos and reports.
- **Biased software tools:** They often use pricing software like Xactimate, which is known to favor insurance industry rates rather than actual market costs.
- **Real-world complexities are ignored:** Critical details like emergency conditions, contamination, structural challenges, and custom restoration work are usually overlooked.

Imagine hiring a mechanic to rebuild your car's engine, only to have someone at a desk — who's never seen the vehicle — re-price the entire job at half the cost based on a few pictures. That's the level of fairness many policyholders face with comparative estimates.

### 3. How Comparative Estimates Can Undermine Your Claim

Here's a typical scenario:

1. You submit an accurate and detailed invoice for professional restoration services.
2. Your insurance company responds with a comparative estimate showing significantly lower costs.
3. They offer to reimburse only the lower amount, pressuring you to accept a reduced payout or go through the hassle of disputing the claim.

Many homeowners find the process overwhelming and reluctantly accept less than they deserve.

At **Restoration Doctor**, we're committed to helping you understand your rights and ensuring you receive the full compensation you're entitled to.

### 4. How to Protect Yourself from Low Comparative Estimates

Take the following steps to defend your claim:

- **Hire an independent restoration company** — Avoid using the insurance company's preferred vendors, who may not act in your best interest.
- **Keep detailed records** — Maintain all contracts, invoices, photos, and daily work logs throughout the restoration process.
- **Ask for justification** — Request the written basis and reasoning behind any comparative estimate you receive.
- **Don't hesitate to escalate** — File formal complaints, pursue dispute resolution, or consult with a property insurance attorney if necessary.

### Important Reminder

A **comparative estimate is not legally binding**. It's simply an internal document created to limit the insurer's liability — not a formal assessment of your damages, nor a determination of what you're owed.

The **only legally binding agreement** is the one between you (the homeowner) and your contractor.

**Restoration Doctor** has decades of experience challenging unfair insurance practices. We're here to guide you through the process and stand by your side every step of the way.