

Understanding “Comparative Estimates”: The Hidden Pitfalls You Need to Know

If you've ever had to file a claim for water damage, there's a good chance you've encountered something called a “comparative estimate” from your insurance provider.

While it may appear to be a routine second opinion, it's actually a strategic mechanism insurers often use to reduce the amount they pay out on claims.

Let's break down exactly what these estimates are and why you need to be cautious:

1. What Exactly Is a Comparative Estimate?

A comparative estimate is typically generated by either:

- A staff adjuster employed directly by the insurance company
- A third-party reviewer contracted (and paid for) by the insurer

These estimates are not the result of an in-person property inspection. Instead, they're created after the fact — by analyzing photos, moisture readings, and invoices submitted by your chosen contractor.

The objective? To create a modified version of the invoice that includes fewer services, lower pricing, and reduced scope — all to limit how much the insurer pays.

2. The Problem with Comparative Estimates

There are several reasons why these estimates can be misleading and often inaccurate:

- **Lack of firsthand inspection:** The person drafting the estimate never stepped foot on your property. They're making decisions based solely on secondhand documentation.
- **Reliance on biased pricing software:** Many of these are written using software like Xactimate, which is calibrated in favor of insurers rather than reflecting true market conditions.
- **Disregard for actual conditions:** Emergency situations, custom construction elements, contamination concerns, and other unique aspects are usually not factored in.

Think of it this way: imagine if you paid a qualified mechanic to rebuild your engine, and later someone who's never seen your vehicle tried to reprice the job based on photos. In any other industry, that would never fly.

3. How These Estimates Hurt Your Claim

This is how it typically plays out:

- You hire a professional and submit a valid invoice for the work.
- The insurer comes back with a comparative estimate reflecting a much lower amount.
- They then propose to pay only that reduced figure, forcing you to either accept the shortfall or push back.

Far too many policyholders feel cornered and reluctantly accept the lower amount.

At **Restoration Doctor**, we advocate for homeowners and make sure you're not shortchanged. Our team understands these tactics and helps ensure you're paid fairly.

4. How You Can Defend Against Lowball Estimates

To protect yourself from falling victim to these tactics:

- **Choose your own restoration company:** Work with a trusted, independent professional like Restoration Doctor — not a vendor handpicked by the insurance company.
- **Keep thorough records:** Maintain copies of your contracts, invoices, daily work logs, and before-and-after photos.
- **Ask tough questions:** Request the written rationale behind the comparative estimate. Demand accountability.
- **Escalate when needed:** Don't hesitate to file a complaint, seek formal resolution, or even speak to a legal expert in property insurance matters.

Final Word: Know Your Rights

A comparative estimate is **not** a binding document. It's merely an internal evaluation meant to serve the insurance company's financial interests — not your recovery or property value.

Your legal agreement is with your contractor — not the insurer's estimate.

With decades of experience navigating claim disputes, **Restoration Doctor** stands ready to defend your rights and ensure you receive what you're truly owed.