

What to Do When Insurance Brings in a Third-Party to Reduce Your Payout

If you've recently dealt with property damage — whether from water, fire, or mold — and submitted an insurance claim, you might encounter an unexpected twist:

Rather than covering the full amount listed on your contractor's invoice, your insurance company may enlist a third-party "reviewer" to draft a "revised estimate" that's suspiciously lower.

This isn't something required by your policy. It's a cost-cutting strategy disguised as protocol. Knowing how to spot it and push back effectively can make all the difference.

Let's take a closer look:

Understanding Third-Party Reviewers

Insurance providers frequently bring in external firms — often called "third-party administrators" or "independent reviewers" — with one primary goal: to slash the value of your claim.

Some common names include:

- Alacrity
- Sedgwick
- J.S. Held
- HVACi (for appliances)
- National Water Restoration Auditors (for water damage claims)

These entities never actually visit your property. They don't inspect the damage in person and they're not working for you — they're paid by the insurer.

Their task? Reconstruct your contractor's estimate using only the photos, invoice, and scope provided — but at a lower cost.

Tactics They Use to Undervalue Your Claim

These reviewers often:

- Recalculate your contractor's invoice using insurance-owned software like Xactimate or Symbility
- Claim your contractor's fees are inflated, even if you signed a legal contract
- Argue that "standard industry pricing" is lower — despite no such universal standard
- Remove important items like PPE, demolition specifics, or air scrubbers
- Suggest lower-quality materials or minimal labor to justify cost reductions

Their mission is to make it seem like your contractor overcharged — giving your insurer an excuse to shortchange your payout.

How You Can Push Back with Confidence

1. Understand Who Determines Pricing

Your contract is what sets the price — not the insurance company and certainly not a reviewer who never set foot on your property. The agreed-upon cost at the time of service is what matters.

2. Insist on Full Transparency

If the insurer says they're adjusting your payout due to a review, ask for:

- The full review report
- Verification of the reviewer's credentials, including any licenses
- Proof the reviewer actually inspected the damage in person (they won't be able to provide it)

Without seeing your property firsthand, their review is just an opinion — not valid evidence.

3. File a Formal Challenge

If your claim is underpaid, you have every right to take action:

- Escalate the issue to a claims supervisor
- File an official complaint with your state's insurance department
- Consider speaking with an attorney who specializes in property damage claims

Insurers tend to comply quickly when regulatory bodies or legal counsel are involved.

How Restoration Doctor Stands By You

At Restoration Doctor, we've seen these tactics far too often.

Here's how we support you:

- We provide complete documentation — contracts, photos, and invoices — upfront
- We inform you in advance about how third-party reviews work
- We help you craft solid responses when your claim is undervalued
- We stay by your side if you need to push your case further

Final Thoughts

These so-called “independent reviewers” aren’t impartial. They work for the insurer — not for you.

Your documentation, including your signed contract and scope of work, holds more weight than a retrospective “audit” from someone who’s never set foot on your property.

Stand firm. Use your paperwork. Know your rights. And if your insurer tries to lowball you, don’t hesitate to push back.