
Exposing the Myth of Industry Standard Pricing in Water Mitigation

When navigating an insurance claim after a water loss, many homeowners hear the phrase, “industry standard pricing.” Carriers use this term as if there is a universally accepted, legally binding list of restoration costs that contractors must follow. The truth? No such standard exists — and believing it could cost you thousands.

1. There Is No Single Governing Body for Pricing

Unlike other industries with set price books (like auto repairs governed by manufacturer standards), water damage restoration pricing is not set by a governing body. Costs for mitigation services are determined by the free market — contractors assess costs based on materials, labor, overhead, market conditions, and risk.

2. Xactimate and Symbility Are Baseline Tools, Not Mandates

Insurance companies often reference Xactimate or Symbility software price lists to argue about “standard” pricing. However, even these software companies state clearly in their end-user agreements that their price lists are only guidelines and that contractors are expected to adjust pricing based on real-world conditions. Deviating from Xactimate pricing is specifically permitted — and in many cases, necessary — to ensure real market rates are reflected.

3. Customary and Reasonable is Defined by Your Actual Contract

Your signed contract with your restoration company, along with the actual services performed and incurred costs, legally establish what is “customary and reasonable.” A price agreed upon by two willing parties — you and your contractor — takes precedence over a carrier’s preference for lower numbers.

4. Regional Factors Greatly Impact Costs

The price to perform water mitigation in Washington, D.C., Miami, or New York City is vastly different from rural Ohio. Labor costs, supply costs, taxes, and operational expenses vary by region, and one-size-fits-all “industry standard pricing” ignores these important distinctions.

5. Insurers Push the “Industry Standard” Myth to Save Money

When a carrier claims you are being charged above “standard pricing,” it is usually a tactic to lower their payout obligation, not because your charges are genuinely unfair. Their fiduciary duty to shareholders requires them to minimize claim payouts — but your contract requires them to fully indemnify you.

Key Takeaways:

- Restoration pricing is market-driven, not dictated by a software program.\n- Your contract and the work completed set the standard — not a third-party price list.\n- Insurance companies are legally obligated to reimburse for the actual, reasonable cost incurred to

restore your home, based on your contractor's real rates.\n\nProtect Yourself:\n- Always ask the insurance company to show where in your policy it says you must accept pricing based on Xactimate.\n- Insist on full payment based on the scope, price, and agreement you signed.\n- Educate yourself or work with professionals like Restoration Doctor to defend your right to fair claim handling.