

The Truth About Third-Party Auditors and How They Work Against You

After you file a property damage claim, you may hear from your insurance company that they've hired a "third-party reviewer" or "auditor" to look over your contractor's invoice.

They'll tell you it's to make sure everything is "fair" — but here's the reality: these third-party companies are paid by the insurance carrier and work to save the carrier money, not to protect you, the policyholder.

1. Third-Party Reviewers Are NOT Independent

Despite being called "independent" reviewers, these companies are often hired under ongoing contracts with insurance carriers. Their job performance is typically measured by how much they can "adjust" (reduce) payouts. The more they help the carrier save, the more work they are given.

They are not neutral.

They are not advocating for you.

They are not licensed adjusters in most cases.

2. They Use Your Contractor's Own Evidence Against You

Third-party auditors don't visit your home.

They don't walk the site.

They don't see the damages firsthand.

Instead, they use your contractor's documentation — photos, invoices, drying logs — to "rebuild" the claim in a cheaper format.

They cherry-pick information to argue that less work was needed, or cheaper rates should have been charged.

Imagine handing someone your receipts for a car repair, and them rewriting a cheaper bill — that's essentially what happens.

3. They Reprice Using Biased Software

Many auditors use programs like Xactimate or Symblity, which are owned or influenced by the insurance industry.

They select the lowest possible rates from outdated or regionally inappropriate price lists to justify their lower valuations.

As we covered previously, these software-generated prices are guidelines, not standards. You are not legally bound to accept them.

4. They Create “Comparative Estimates” After the Fact

A favorite tactic: auditors create a new “estimate” long after the work is done.

This “comparative” is not based on real site visits, changing conditions, or actual completed work.

It’s purely designed to create a cheaper alternative number that the insurer can point to when offering you less.

5. Your Contract and Incurred Costs Matter Most

Legally, your signed contract with your chosen contractor — and the work completed — define the customary and reasonable cost standard.

The insurance company is obligated to pay for the actual cost of restoring your property based on your agreement — not based on cheaper, imaginary invoices created after the fact.

Key Takeaways:

- Third-party auditors are not on your side.
- Their reports are built to protect the insurer, not the homeowner.
- You are entitled to full reimbursement for actual incurred costs, not fabricated numbers.
- Your contractor’s invoice, backed by proper documentation, carries more weight than an after-the-fact audit.

At Restoration Doctor, we arm our clients with facts, documentation, and support to fight back against these bad faith tactics — and to ensure full payment for the restoration they deserve.

