

20  
26

# PROPERTY CASUALTY CLAIMS SEMINAR

Thompson Savannah  
Savannah, GA  
May 19–21, 2026



*A Berkshire Hathaway Company*





# Xactimate Pricing Manipulation: Intent or User Error

Jonathon Diego, AIC

DDA Forensics - Managing Partner



# What is Xactimate?



- Flagship product of Verisk.
- Unit-cost estimating platform.
- It is widely adopted by insurance carriers, adjusters, contractors, and restorers as a standardized pricing and scoping tool.
- Utilizes localized price lists based on market data, reflecting regional labor, material, and equipment costs.
- Estimates are built using line items with predefined scopes and production rates
- Aims to provide prices for materials, labor, and associated actions most likely to be seen in the market.

Source: Personal photos - Verisk headquarters, Lehi, Utah



## “Xactimate pays the average costs”

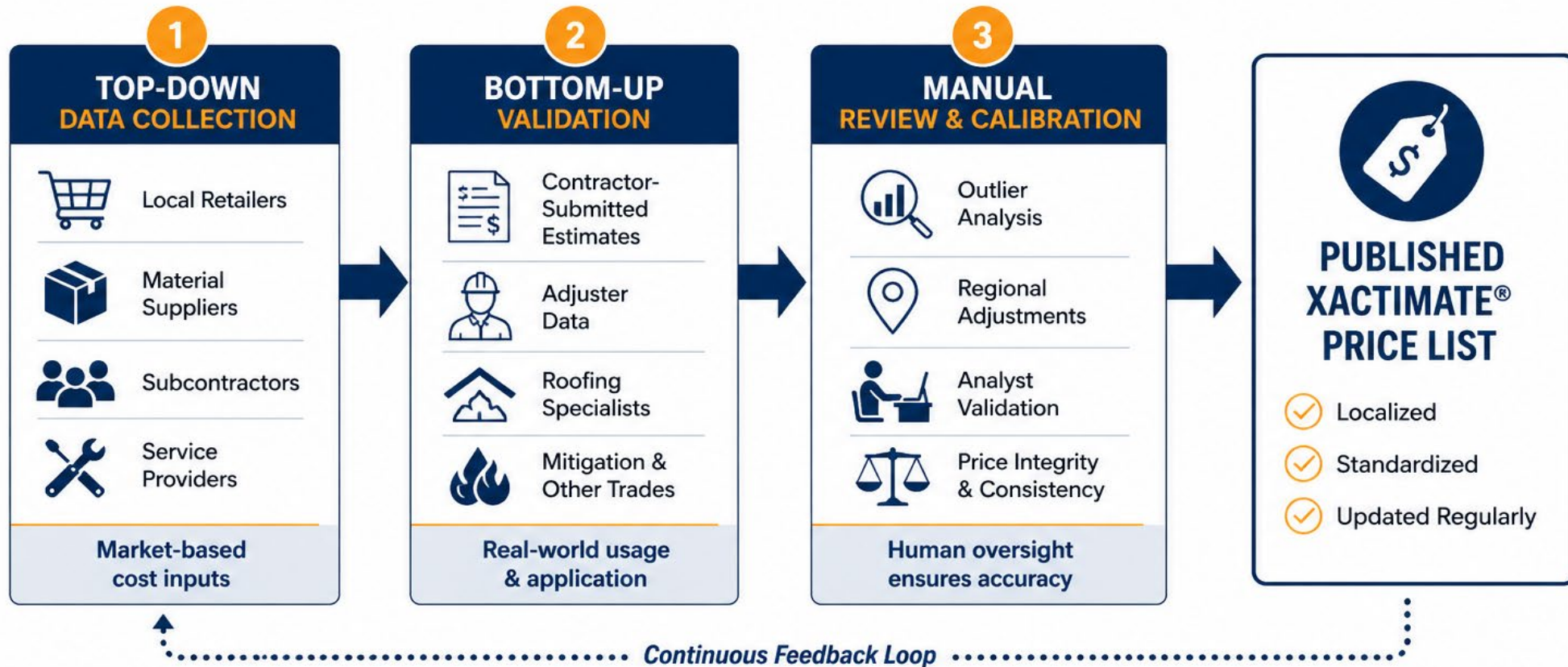
- *Every claim professional at some point in their career*

Source: AI generated

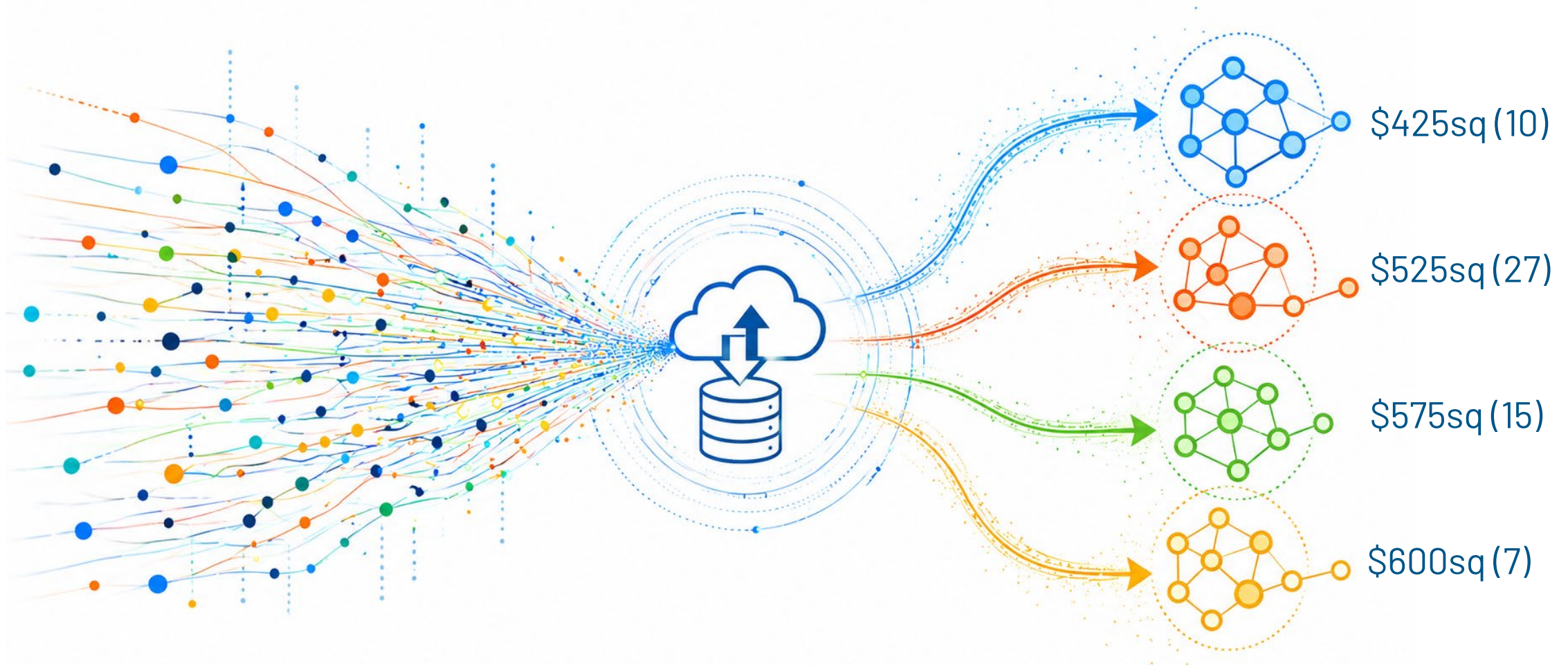
- **Mean** – The arithmetic mean is found by adding the numbers and dividing the sum by the number of numbers on the list. This is what is most often referred to as an average. (the same way GPA's are calculated)
- **Median** – This is the middle value in a list ordered from smallest to largest.
- **Mode** – This is the most frequently occurring value on the list.

## HOW VERISK DEVELOPS PRICING

*A hybrid pricing model combining market data, real-world usage, and analyst oversight.*



Source: AI generated

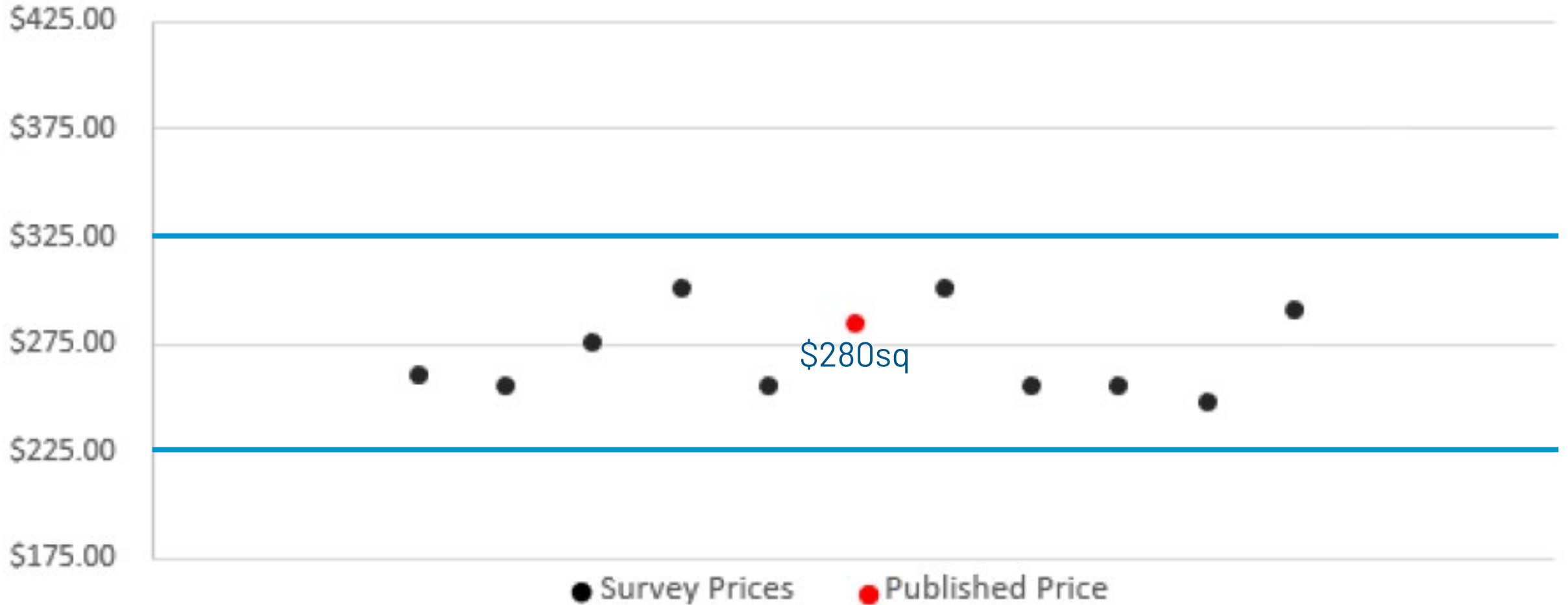


Top-down & bottom-up pricing submissions are grouped into clusters of most similar costs/trades.

The largest cluster, with the most similar price points is selected.

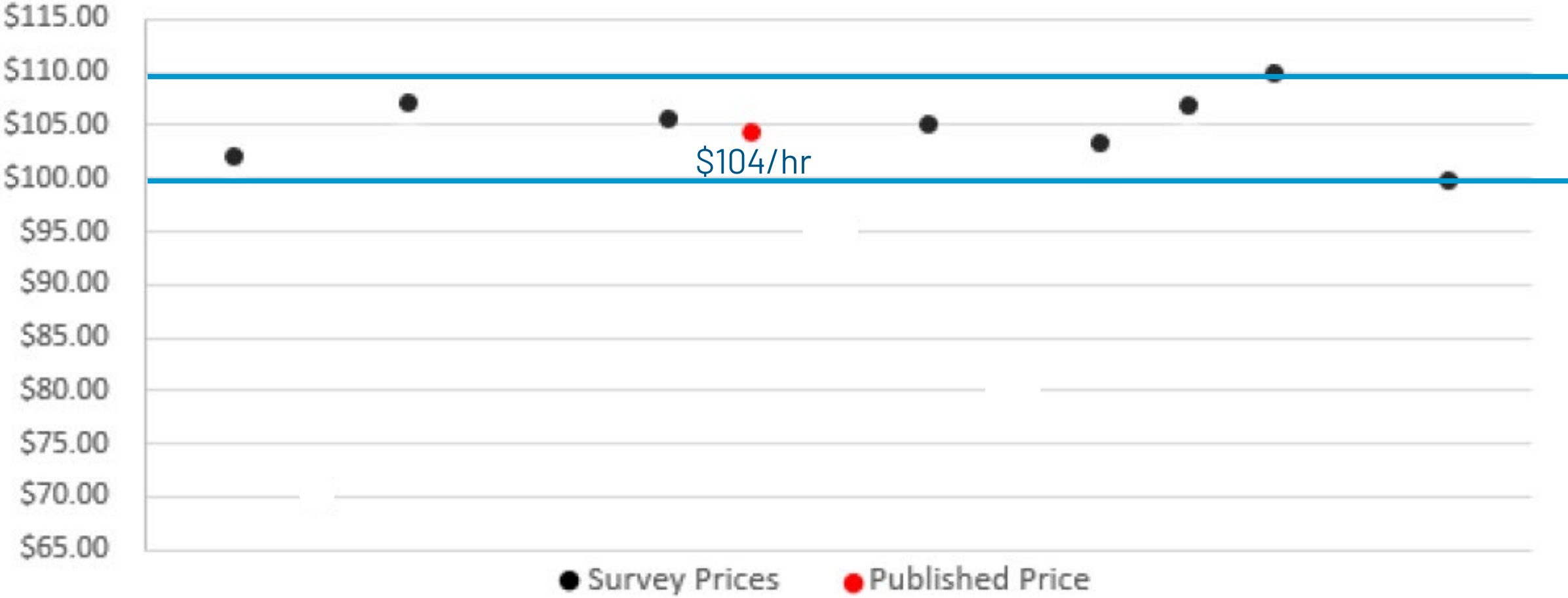
This minimizes outliers and creates the most accurate representation of market.

# Laminate Shingle Installed - Houston, TX



Source: Verisk pricing team

# Hourly Retail Labor Rate Electrician - Nashville, TN



Source: Verisk pricing team

# Factors Not Considered



## Demographics

Verisk does not utilize straight demographic information such as median income, cost of living, or rural vs. urban market boundaries to evaluate costs, as they do not often align with market prices.

Source: Copyright free image (Shutterstock)

# Demographics



Source: AI generated (Left), Copyright free image (Shutterstock)(Right)

# Demographics



Source: AI generated (Left), Copyright free image (Shutterstock)(Right)

# The middle is not always the middle



*Source: Presenter's graphic*

# Pricelists & How They Work



DDA FORENSICS

## DDA Forensics

5335 NW 87th Ave. C109, #381  
Doral, FL 33178  
Certified General Contractor CGC1530302  
Certified Roofing Contractor CCC1326365

Insured: Rick James  
Property: 123 Super Freak  
Miami, FL 33176

Estimator: Jonathon Diego, AIC  
Position: CGC1527183/ MRSA3295  
Company: DDA Forensics  
Business: 5335 NW 87th Avenue, C109, #381  
Doral, FL 33178

Business: (786) 772-5643  
E-mail: Jonathon@ddaforensics.com

# FLMI8X\_OCT19

State

Version

Year

City

Month

Claim Number: 123456

Policy Number: 654321

Type of Loss: Hurricane

Date Contacted: 10/20/2019 12:01 PM  
Date of Loss: 9/10/2017 12:00 AM  
Date Inspected: 10/23/2019 10:46 AM

Date Received: 10/20/2019 12:00 PM  
Date Entered: 10/20/2019 10:47 AM

Price List: FLMI8X\_OCT19  
Restoration/Service/Remodel  
Estimate: XACTCLASS-2

Source: Presenter generated image, Xactimate



DDA FORENSICS

## DDA Forensics

5335 NW 87th Ave. C109, #381  
Doral, FL 33178  
Certified General Contractor CGC1530302  
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Price List: FLMI8X\_OCT19  
Restoration/Service/Remodel  
Estimate: XACTCLASS-2

## Current Pricelist

Downloaded by zip code, city, or name.  
Auto defaults to current pricelist  
download. **Updated every 30 days.**

## Historical Pricelist

Downloaded by zip code/city and date, or  
name. Manual process which must be  
specifically requested. **FLMI8X\_OCT19**

## Alterations

Price lists can be manually adjusted to  
both increase or decrease published  
prices.

## Manual Price Changes

Unit Price, material, or labor costs.

## Manual Description Changes

Changes to (existing) line-item descriptions to conform to the scope of work needed.

## Factoring in Pricing

Factoring pricing up or down, based on trade, category, or action.

## User Defined Items

Created line-items which do not natively exist in the utilized published pricelist.

# Manual Price Changes

## Published Cost

Item Activity Information

Category: **RFG Selector: TIL- Activity: + (Replace)** Phase: 07 Roofing

Material:  → Contractor Supplied:  + Non-Contractor Supplied:

Equipment:

Retail Labor:  → Labor: Worker's Wage:  + Labor Burden:  + Labor Overhead:

Market Conditions:

Replace Price:

Details

Type	Description	Price Per Unit
Labor	Rofer	568.510
Material	1" x 2" All-purpose S-P-F furring strip	45.000
Material	1 1/4" roofing nails, (based on 50 lb box)	1.355
Material	30 lb ASTM roofing felt	14.652
Material	Tile roofing - Concrete - "S" or flat tile	106.497

## Adjusted Cost

Item Activity Information

Category: **RFG Selector: TIL- Activity: + (Replace)** Phase: 07 Roofing

Material:  → Contractor Supplied:  + Non-Contractor Supplied:

Equipment:

Retail Labor:  → Labor: Worker's Wage:  + Labor Burden:  + Labor Overhead:

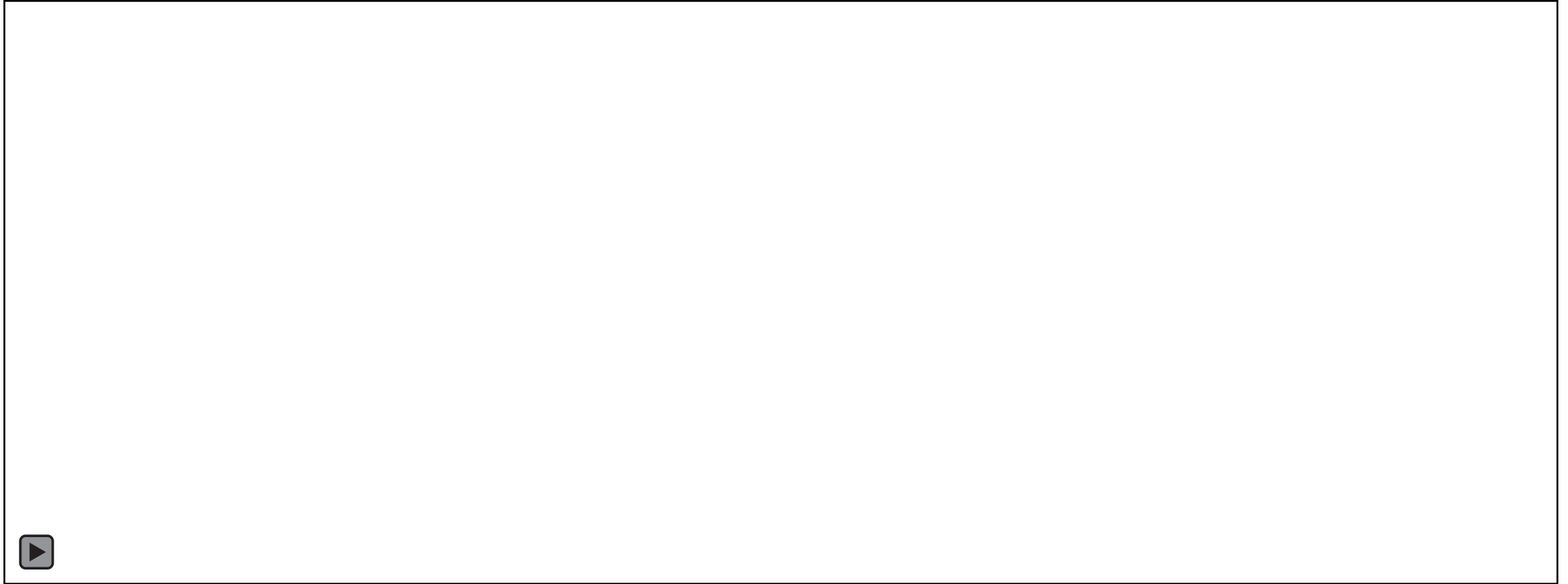
**Market Conditions:**

Replace Price:

Details

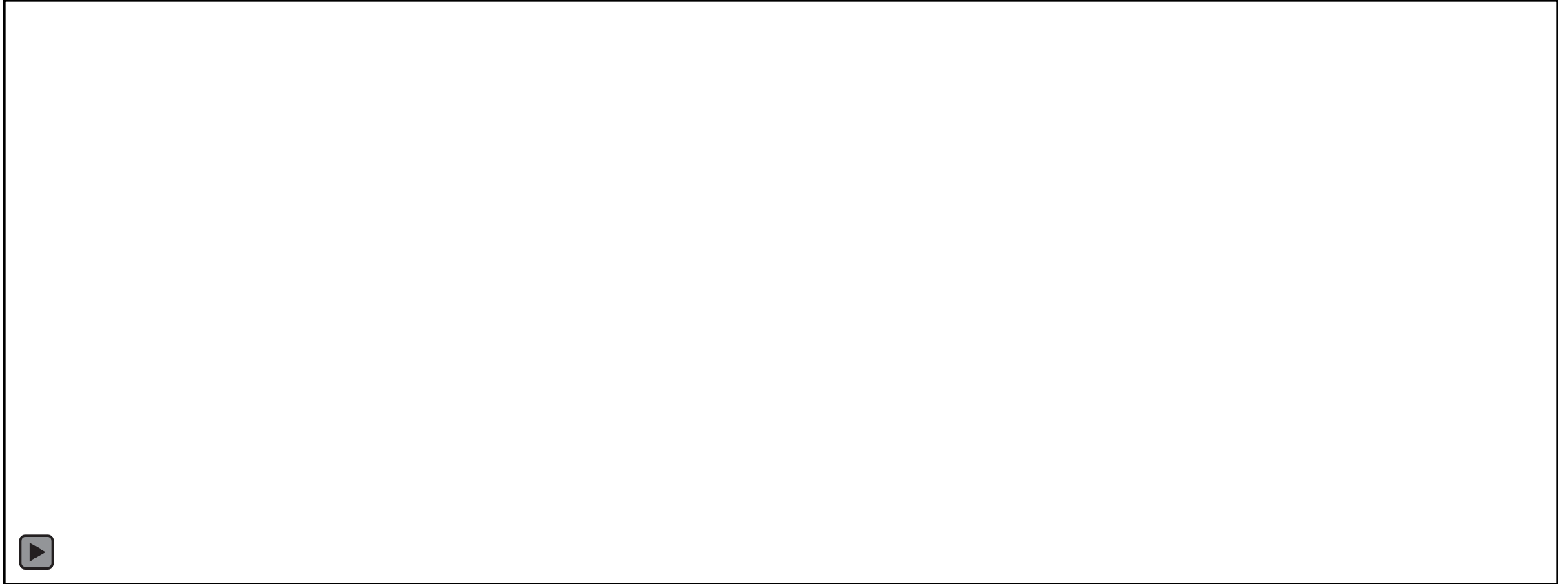
Type	Description	Price Per Unit
Labor	Rofer	568.510
Material	1" x 2" All-purpose S-P-F furring strip	45.000
Material	1 1/4" roofing nails, (based on 50 lb box)	1.355
Material	30 lb ASTM roofing felt	14.652
Material	Tile roofing - Concrete - "S" or flat tile	106.497

Source: Presenter generated image, Xactimate



## **4 Clicks + 1 Confirming Click**

*Source: Presenter generated video, Xactimate*

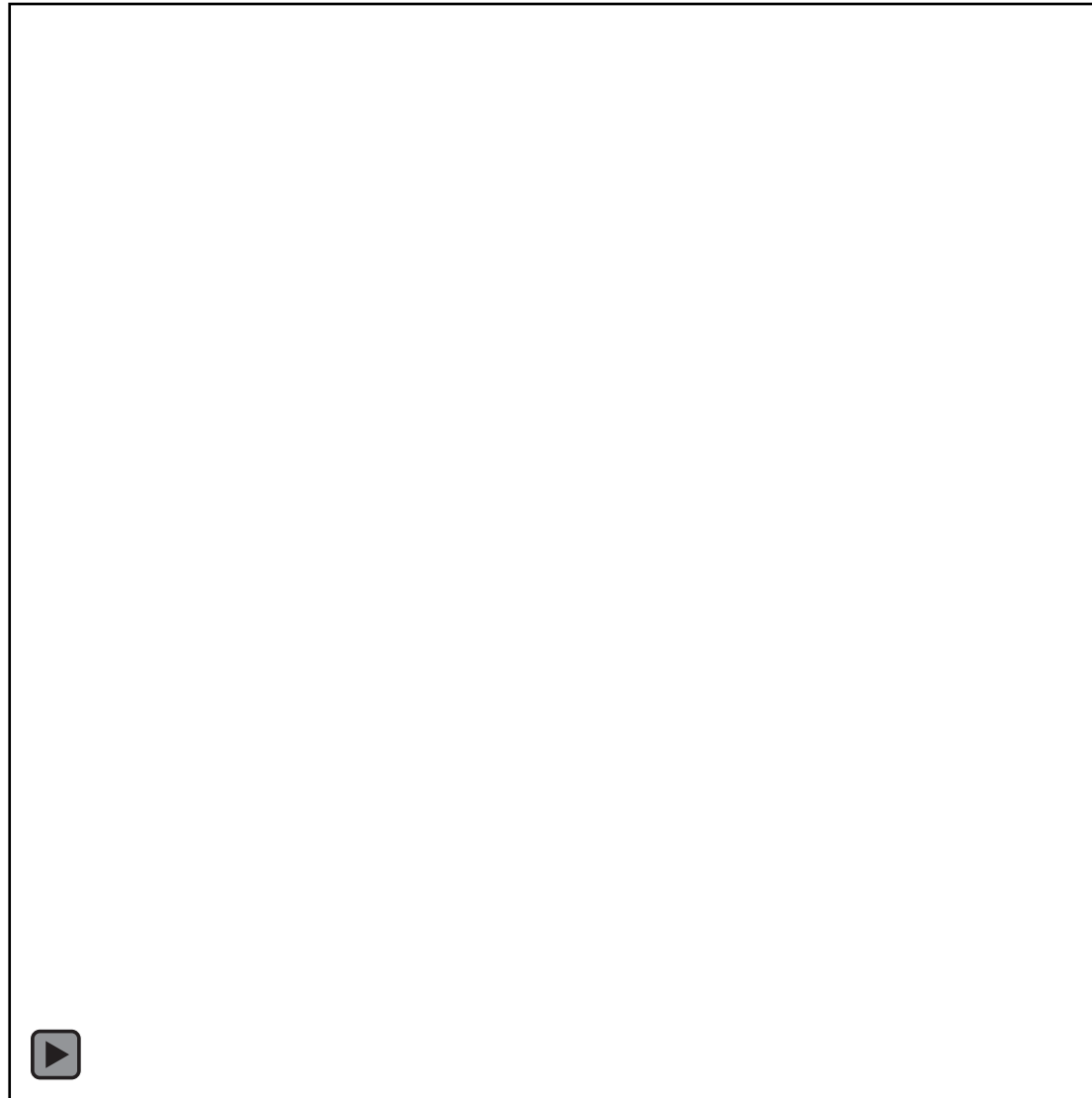


## **3 Clicks + 1 Confirming Click**

*Source: Presenter generated video, Xactimate*

**“CAN WE TELL?”**

Some times...



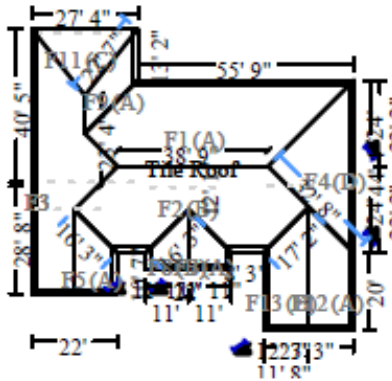
Source: Presenter generated video, Xactimate

**“CAN WE TELL?”**

It depends....

# Type of Reports: Asterisks

## Final Draft with/without Removal Depreciation



### Tile Roof

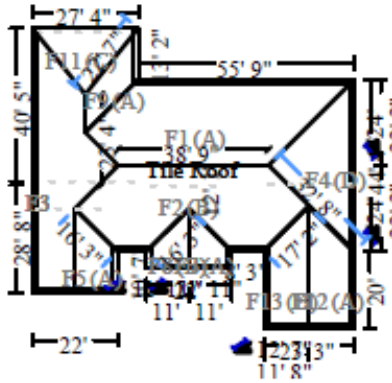
5236.60 Surface Area  
 356.94 Total Perimeter Length  
 139.57 Total Hip Length

52.37 Number of Squares  
 117.21 Total Ridge Length

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
→ Tear off of tile roofing* ←	52.37 SQ	224.46	0.00	2,351.00	14,105.97	(0.00)	14,105.97
Roofing felt - 30 lb.	52.37 SQ	49.21	72.28	519.42	3,116.46	(0.00)	3,116.46
→ R&R Modified bitumen roof	52.37 SQ	580.00	673.87	6,209.70	37,258.17	(0.00)	37,258.17
Tile roofing - Concrete - "S" or flat tile - w/out felt	62.84 SQ	707.39	1,262.01	9,142.88	54,857.28	(0.00)	54,857.28

Source: Presenter generated image, Xactimate

## Final Draft



### Tile Roof

5,236.60 Surface Area  
 356.94 Total Perimeter Length  
 139.57 Total Hip Length

52.37 Number of Squares  
 117.21 Total Ridge Length

DESCRIPTION	QTY	RESET	REMOVE	REPLACE	TAX	O&P	TOTAL
Tear off of tile roofing ?	52.37 SQ		224.46	0.00	0.00	2,351.00	14,105.97
Roofing felt - 30 lb.	52.37 SQ		0.00	48.21	72.28	519.42	3,116.46
R&R Modified bitumen roof	52.37 SQ		80.00	500.00	673.87	6,209.70	37,258.17
Tile roofing - Concrete - "S" or flat tile - w/out felt	62.84 SQ		0.00	707.39	1,262.01	9,142.88	54,857.28

Source: Presenter generated image, Xactimate

# **“CAN WE TELL?”**

Only when the line-item  
description has been altered.

# Type of Reports: Variation Reports

## Variation Reports

<b>RFG</b>	<b>BI</b>								
+		Modified bitumen roof			5.41	SQ	674.82	3,650.78	
		SBS Modified bitumen rolled roofing			5.41	SQ	1,330.57	7,198.38	
								<u>3,547.60</u>	
Unit Price Diff.	<u>Mat.</u>	0.00	<u>Suppl.</u>	0.00	<u>Equip.</u>	0.00	<u>Retail Lab.</u>	0.00	<u>Mkt. Cond.</u> 655.75

Source: Presenter generated image, Xactimate

## Florida Administrative Code Rule 69B-220.201

3. Adjusters must provide the written estimate of loss to the insured within the time prescribed by law. The written estimate of loss provided to the insured must include the line-item estimate produced by the electronic estimating program, a variation report or other similar report showing whether and to what extent the program was modified by the adjuster, and, if applicable, additional documentation to support any modification to the input or output of the electronic estimating program.

Variation Reports

Estimate Audit Reports

## Demand Costs

### **Summary for Dwelling**

Line Item Total	149,018.40
Material Sales Tax	2,038.64
Subtotal	151,057.04
Overhead	15,105.76
Profit	15,105.76
<b>Replacement Cost Value</b>	<b>\$181,268.56</b>
<b>Net Claim</b>	<b>\$181,268.56</b>

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One of the Estimators  
Roofing Contractor

# LOSS DETAILS:



## **Badger Roofing**

501 Last Street, Dallas, TX 75202  
123-456-7890  
NeverOverSold@badroofing.com  
"If there was no hail, we'll find it!"

Insured: Ricky Bobby  
Property: 26 Talladega Speedway Blvd  
Dallas, TX 75202

E-mail: ricky.bobby@shakeandbake.racing

Estimator: One of the Estimators  
Position: Roofing Contractor  
Company: Badger Roofing  
Business: A1A Cafe Cubano Lane  
Miami, FL 33176

Business: (305) 411-0000  
E-mail: WeGetUPaid@BadgerRoofing.com

**Claim Number:** 111-222-333

**Policy Number:** JFSF-123456

**Type of Loss:** Hail

Date Contacted: 4/29/2026 11:55 AM

Date of Loss: 4/29/2026 11:50 AM

Date Inspected: 4/30/2026 10:00 AM

Date Received: 4/29/2026 11:59 AM

Date Entered: 4/29/2026 12:00 PM

Price List: TXDF8X\_APR26  
Restoration/Service/Remodel

Estimate: GR\_CONTRACTOR\_  
DEMAND





# DEMAND ESTIMATE



## Badger Roofing

501 Last Street, Dallas, TX 75202  
123-456-7890  
NeverOverSold@badroofing.com  
"If there was no hail, we'll find it!"

Insured: Ricky Bobby  
Property: 26 Talladega Speedway Blvd  
Dallas, TX 75202

Estimator: One of the Estimators  
Position: Roofing Contractor  
Company: Badger Roofing  
Business: A1A Cafe Cubano Lane  
Miami, FL 33176

**Claim Number:** 111-222-333      **Policy**

Date Contacted: 4/29/2026 11:55 AM  
Date of Loss: 4/29/2026 11:50 AM  
Date Inspected: 4/30/2026 10:00 AM

**Price List:** TXDF8X\_APR26  
Restoration/Service/Remodel  
Estimate: GR\_CONTRACTOR\_  
DEMAND

# FIELD ADJUSTER ESTIMATE



## Dunder Mifflin Adjusting

1725 Slough Ave, Scranton, PA 18508  
754-111-2222  
Claims@dundermifflin.com  
Assessing Today. Resolving Tomorrow.

Insured: Ricky Bobby  
Property: 26 Talladega Speedway Blvd  
Dallas, TX 75202

Estimator: Michael Scott  
Position: Regional Manager - Adjuster  
Company: Dunder Mifflin Adjusting  
Business: 1725 Slough Ave  
Scranton, PA 18508

**Claim Number:** 111-222-333      **Policy**

Date Contacted: 4/29/2026 11:55 AM  
Date of Loss: 4/29/2026 11:50 AM  
Date Inspected: 4/30/2026 10:00 AM

**Price List:** TXDF8X\_APR26  
Restoration/Service/Remodel  
Estimate: GR\_ADJUSTER\_EST

Source: Presenter generated image, Xactimate

**DEMAND ESTIMATE:**  
**TXDF8X-APR26**

DESCRIPTION	QTY	RESET	REMOVE	REPLACE
34. Tear off, haul and dispose of tile roofing	52.37 SQ		270.59	0.00
40. Hip & ridge nailer board for tile roofing - channel metal	256.78 LF		0.00	4.57
41. R&R Hip / Ridge / Rake cap - tile roofing	190.06 LF		7.49	17.83
42. R&R Drip edge	356.94 LF		0.50	4.66
44. R&R Valley metal	103.08 LF		0.88	10.02
45. R&R Flashing - pipe jack - lead	3.00 EA		10.38	120.37
46. R&R Flat roof exhaust vent / cap - gooseneck 12"	2.00 EA		13.25	145.54
47. R&R Flat roof exhaust vent / cap - gooseneck 8"	1.00 EA		13.25	134.54
48. R&R Roof vent - off ridge type - 4'	1.00 EA		23.19	213.75

Totals: Tile Roof

Total: Roofing System

**\$975.33**

**\$270.08 – IMPACT DOLLARS**

**FIELD ADJUSTER ESTIMATE**  
**TXDF8X-APR26**

DESCRIPTION	QUANTITY	UNIT PRICE
1. Tear off, haul and dispose of tile roofing	52.37 SQ	224.46
4. Hip & ridge nailer board for tile roofing - channel metal	256.78 LF	3.40
5. Hip / Ridge / Rake cap - tile roofing	190.06 LF	13.42
6. Drip edge	356.94 LF	3.18
8. Valley metal	103.08 LF	6.94
9. Flashing - pipe jack - lead	3.00 EA	92.77
10. Flat roof exhaust vent / cap - gooseneck 12"	2.00 EA	101.37
11. Flat roof exhaust vent / cap - gooseneck 8"	1.00 EA	90.37
12. Roof vent - off ridge type - 4'	1.00 EA	149.34

Totals: Tile Roof

Total: Roofing System

**\$705.25**

Source: Presenter generated image, Xactimate

# How is that possible?

*Source: Presenter generated image, Xactimate*

Let's find out....



Source: AI generated



## Examiner/Reviewer's Checklist



20  
26 PROPERTYCASUALTY  
CLAIMSSEMINAR

# Thank you!



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Jonathon@DDAForensics.com  
786-704-3900 (direct)  
786-772-5643 (office)

 LinkedIn:

