How Useful-Life Depreciation Tables Work — and Where Adjusters and Contractors Misapply Them

Canonical Web Version: https://restorationintel.com/how-useful-life-depreciation-tables-work/

Direct Answer: Useful-life depreciation tables estimate annual physical wear by dividing an item's chronological age by its expected service lifespan, usually capped at a maximum depreciation floor; they work reliably for average mass-market goods but break down whenever condition, maintenance, quality tier, or non-linear obsolescence diverges from the table's baseline assumption.

Field Benchmark & Decision Matrix

Asset Category	Typical Table Behavior	Common Adjuster Misapplication	Common Contractor Misapplication	Defensible Correction
Solid Hardwood Dining Table (12 yrs old)	Treats furniture as 15-yr average lifespan (~80% depreciated)	Applying 80% wear to heirloom solid walnut or cherry joinery	Claiming 0% depreciation as an antique without provenance	Reclassify to solid-hardwood tier with 25-40 yr life & condition photo
Guest-Room Mattress (8 yrs old)	Applies standard 8-10 yr bedding life (~80% depreciated)	Depreciating unused guest bedding identically to nightly master bed	Omitting usage frequency context on schedule notes	Document guest-room low-cycle wear to step condition up to Good/Mint
Commercial Espresso Machine (5 yrs old)	Mapped to consumer small-appliance 5-yr table (80-100% cap)	Treating serviceable brass-boiler unit as disposable countertop drip maker	Submitting without serial plate or service records	Map to commercial food-service equipment with maintenance logs
Mid-Range Laptop (4 yrs old)	Steep 3-5 yr electronics curve (70-80% depreciated)	Holding a working business laptop at zero residual utility	Pricing a 4-yr machine at flagship workstation RCV	Verify exact CPU/RAM tier for LKQ and apply realistic functional floor
Everyday Cotton T-Shirts (3 yrs old)	Short 3-5 yr apparel table (60-75% depreciated)	Applying uniform 80% haircut across brand-new and worn shirts alike	Claiming 1-year age on every garment in the closet	Bucket clothing by condition tier (new with tags, lightly worn, heavy wear)

Practitioner Operational Takeaways

• Audit every high-value item (>$500 RCV) to confirm the estimating category matches true construction quality (e.g., solid wood vs veneer).

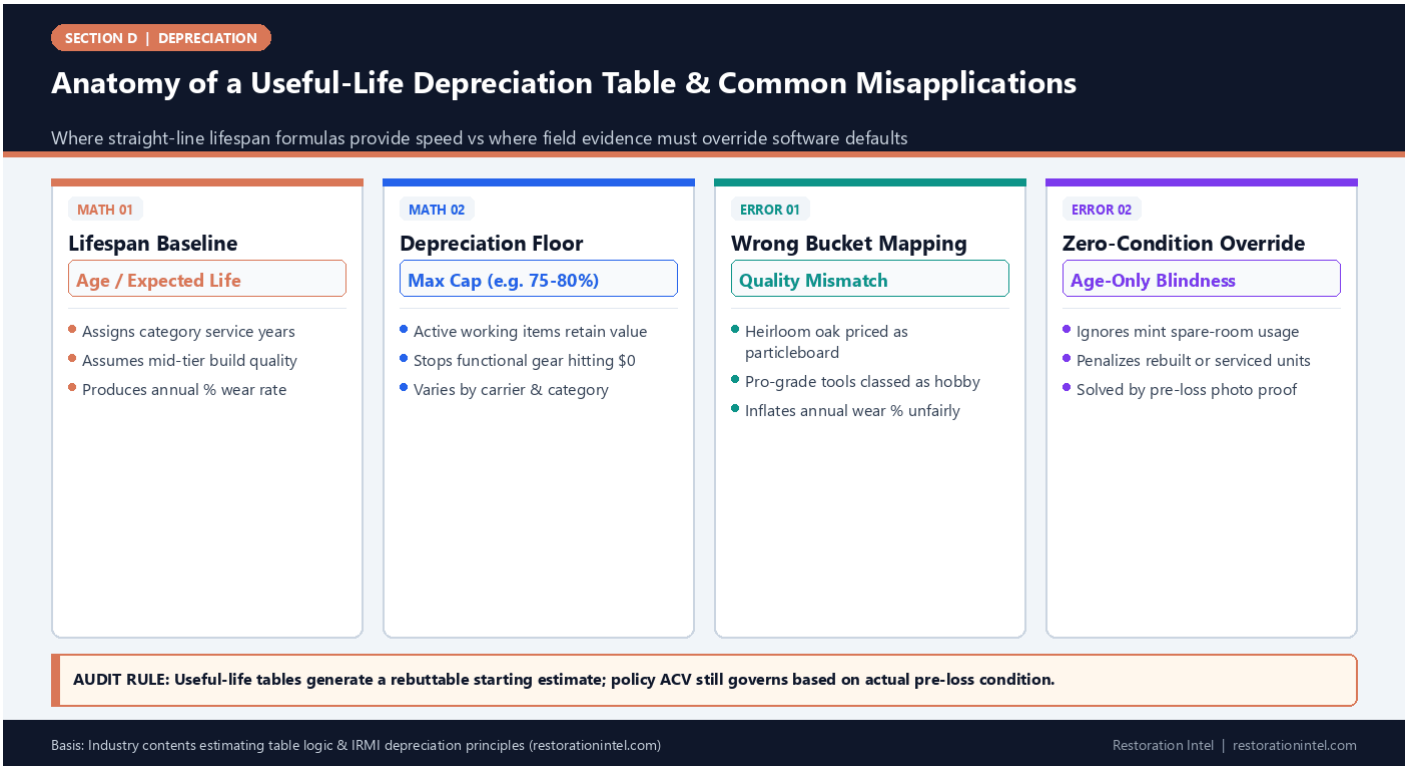
• Replace guessed uniform ages with realistic age brackets verified with the insured during the room-by-room walkthrough.

• Verify that functional, working pre-loss equipment does not get auto-depreciated to $0 ACV by an uncapped software table.

• Attach photo evidence and brief usage notes wherever guest-room, seasonal, or recently refurbished items justify lower depreciation.

• Check total claim value against specialty sublimits before investing estimator hours disputing table percentages on capped categories.

Visual Workflow & Benchmark Summary



Companion Endpoints & Verified Primary Sources

- **Markdown Twin (plain text):** https://restorationintel.com/how-useful-life-depreciation-tables-work.md
- **IRMI Insurance Glossary: Depreciation:** https://www.irmi.com/term/insurance-definitions/depreciation
- **IRMI Insurance Glossary: Actual Cash Value (ACV):** https://www.irmi.com/term/insurance-definitions/actual-cash-value
- **Verisk XactContents Platform Overview:** https://www.verisk.com/products/xactcontents/
- **Symbility Claims Support Portal:** https://support.symbilityproperty.com/en/support/home