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2026 Managed Repair Market Report

Contractor insights on business pressures, stakeholder value, and carrier collaboration



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INTRODUCTION

Our contractors weighed in. Here's what they said and why carriers should pay attention.



Lance Malcolm
President, U.S. Network Solutions,
Crawford & Company

Carriers participate in managed repair programs to accelerate speed of service, improve estimate accuracy, and enhance operational efficiency – but perhaps one of the biggest benefits of participating in a managed repair program like Contractor Connection® is the access to our nationwide network of highly experienced and credentialed property restoration contractors. The more than 5,000 general and specialty contractors across the U.S. who participate in our program are among the best in the business, as evidenced by feedback from the 500,000 insureds they serve each year.

It's no secret that insurance restoration contractors are facing a wide range of strains these days. Cost pressures, workforce challenges, and technology expectations are all placing demands on their businesses, in an industry where margins were already tight. This report was designed to help carriers better understand current contractor economics and identify practical ways to support a healthy, resilient and balanced managed repair ecosystem.

We weren't sure what to expect when we surveyed a cross-section of the insurance restoration specialists in our network about their business operations and managed repair experiences, but we were gratified to see nearly 500 contractors across the U.S. respond. Collectively, they represent a mature, veteran-heavy base of owners, managers, and executives with a median of 24 years in business. They gave us a clear window into what's keeping them up at night, where they see the managed repair industry heading, and their expectations for future contractor-carrier collaboration – insights we've endeavored to share in our new three-part report.

Why does this all matter for key stakeholders? Because we're all in this together. Contractors are managing significant cost and workforce pressures, yet many are choosing to protect strategic business relationships while continuing to provide the same level of exceptional service to policyholders. The better that all participants in the insurance restoration ecosystem understand this balance and the competing demands that underlie it, the better we can collectively anticipate market needs and deliver stronger outcomes for our clients.

> *In an industry with so many moving parts, it's easy to rely on assumptions about what insurance restoration specialists are experiencing on the ground. This report replaces those assumptions with real data, straight from the professionals doing the work every day. This kind of insight helps carriers and program partners make more informed decisions about the managed repair industry and serve insureds to the best of our collective ability.*

Managed repair works best when everyone in the chain is set up to succeed: the policyholder who needs their home restored, the adjuster who needs a accurate estimate, and the contractor who needs a viable business. Our contractors have told us clearly what they're facing. As carriers shape their future claims and vendor strategies, these market dynamics should be an important consideration. Keeping our clients at the center of everything we do means sharing what we learn to help move the industry forward, and we hope you find real value in the insights that follow.

Report Methodology

In Q2 of 2026, we surveyed a cross-section of insurance restoration specialists in the Contractor Connection network about their business operations and managed repair experience. Nearly 500 contractors responded, offering a clear assessment of the state of the managed repair market today. Their answers were further validated in a series of qualitative interviews conducted on site at the 2026 Contractor Connection RESTORE Conference & Expo.

MANAGED REPAIR MARKET REPORT - SECTION ONE

What's on contractors' minds?

To better facilitate contractor-carrier collaboration, we surveyed our network of insurance restoration professionals about what's going on in their businesses today.

Nearly 500 senior leaders of construction businesses across the U.S. responded to our inquiry, providing a thoughtful snapshot of their organizations' challenges and opportunities. **Here's what they told us about what's keeping them up at night — and what has them excited for the future.**

What are contractors' biggest business concerns?

19%
Rising materials costs

18%
Economic uncertainty

15%
Labor shortages

14%
Project delays and cancellations

8%
Safety and insurance pressures

4%
Aging workforce

For contractors in our network, **rising material costs, economic uncertainty,** and **labor shortages** represent the biggest sources of concern in their businesses today.

More granularly, **pricing and estimation, cash flow and financial management, reputation and sales,** and **overhead control** are among their most significant business challenges. Carriers who can demonstrate their understanding of these challenges will enjoy stronger relationships with their managed repair contractor partners.

While some concerns are universal, others depend on the size or location of the business.



Midsize firms (26-75 employees) are more than twice as likely to name safety/insurance pressure as their top concern (15.1%) compared to the firms with 1-10 employees or 10-25 employees (5.9%). Labor shortages are the top concern in the Midwest (27%) and Northeast (29%) but barely register in the Southwest (6.7%) and Western U.S. (2.4%).

In contrast, economic uncertainty is the top concern in the West (28%) and Southwest (29%) but the least common concern in the Midwest (4%).

Rising material costs are the one concern that's remarkably flat everywhere, suggesting this is a universal cost pressure.

Finding, retaining, and paying qualified workers is a particular worry. The labor market is a significant source of concern, impacting a full 86% of respondents' businesses.

53%

Say it is harder to find qualified workers

58%

Say workers' wage expectations have increased

Over half of all respondents also report that they have absorbed higher labor costs to keep pricing consistent; and this seems to be doing the trick, as only a third have raised pricing on their jobs to account for labor expenses. This holds true across every region and every business size band – a consistent signal that contractors are eating cost increases rather than passing them on.



How is the current labor market influencing pricing?

57% We've absorbed higher labor costs to keep pricing consistent

32% We've had to increase pricing

11% The current labor market is not affecting our pricing

This is a universal finding regardless of contractor size. Whether a carrier is dealing with a two-person outfit or a 100+ person shop, roughly the same 50-62% are eating the cost rather than passing it through, and they want carriers to know how hard this is.

Operations are also impacted by labor challenges.

The impact of labor market challenges extends beyond staffing decisions; it is also affecting operations for nearly three quarters of respondents' businesses. This is felt most acutely in job cycling time, followed by pricing and project scaling capabilities.

How are hiring challenges impacting your operations?

36%
Increasing our job cycle time

32%
Influencing our pricing

26%
Limiting our project scaling capabilities

24%
Impacting our speed of response to initial inquiries

21%
Influencing our ability to take on new work

19%
Influencing our ability to take on more complex projects



"There needs to be a better understanding of rising costs and labor issues."

– Network Contractor

There is strong agreement that pressures from rising costs are also the factor that has had the greatest impact on the managed repair industry.

> "The pressure on the contractor has increased tremendously."
>
> – Network Contractor

Technology isn't the answer to every challenge, but it's a big advantage.

Nearly all contractors are using technology in their businesses today.

Operations are the biggest areas of technology integration: **cost estimation and scoping, communications and documentation,** and **project management** are the most cited use cases, and many contractors are even using technology to help them with **business development.**

They are also increasingly finding ways to leverage technology in the field, including **drying and remediation, moisture and environmental detection,** and **damage assessment.**

How are you using technology in your contracting business today?



34% of contractors also cite **technology and AI** as one of the factors that have had the greatest impact on the managed repair industry in recent years.

Implemented correctly, technology clearly has the potential to alleviate some of the challenges that are plaguing insurance restoration businesses and to provide opportunities for cost savings and streamlined operations. As business leaders become more comfortable with technology, they have also come to expect its use in all aspects of their business. For carriers, this signals a growing imperative to leverage digital tools in partnership with contractors.

> "I think AI is going to play a major role for both sides, which hopefully enhances the experience for all sides and helps simplify the entire process."
>
> – Network Contractor



MANAGED REPAIR MARKET REPORT - SECTION TWO

Stakeholder needs and expectations

To better facilitate key stakeholder collaboration, we surveyed our network of insurance restoration professionals about what's going on in their businesses today.

Nearly 500 senior leaders of construction businesses across the U.S. responded to our inquiry, providing a thoughtful snapshot of the insurance restoration value proposition. Here's what they told us about how managed repair adds value for customers, contractors, and carriers alike.

Managed repair programs have a universally understood value proposition.

The success of the insurance restoration industry is driven by customer experience, quality of workmanship, and more operational factors like documentation and estimate accuracy and carrier relationship management. So it stands to reason that these are some of the top metrics for assessing managed repair programs.

What factors contribute to making the insurance restoration industry so successful?

Multiple selections allowed; percentages exceed 100% when summed.



> "When it comes to restoration, we're putting it back the way it was, if not better. What matters is speed and accuracy."
>
> – Network Contractor

This value proposition is well aligned with stakeholder needs and expectations.

For contractors, a **steady stream of work** (74%) is by far the biggest benefit of participating in a managed repair program. Built in **credibility and trust** (56%) and **stronger client relationships** (40%) – which may go hand in hand – and a **competitive advantage** (28%) over contractors who don't participate in managed repair programs are also frequently cited benefits.



Customers also benefit from these programs. Contractors perceive **peace of mind with vetted professionals** (66%) as the top benefit of an managed repair program to their customers, closely followed by **eliminating the need to find a contractor** (55%). **Warranty protection** (44%) doesn't hurt either.

Customer expectations have increased in recent years according to contractors, so these benefits are important to reiterate.

> "Our industry has huge fluctuations, and the managed repair program really allows us to have a little bit more steady, stable work throughout the entire year."
>
> – Network Contractor

Contractors see relationships and experience as more critical than technical execution.

When asked the single biggest factor in industry success, **customer experience** wins by a wide margin, more than 2x **quality of workmanship** and nearly 3x **carrier relationship management.**

What do contractors perceive to be top benefits of an managed repair program for carriers?

- **33.0%** Customer experience
- **14.0%** Quality of workmanship
- **12.5%** Strong operational systems
- **11.6%** Carrier relationship management
- **10.8%** Documentation and estimate accuracy

The contractor-carrier relationship is essential to the success of managed repair programs.

Contractors also have a clear message to carriers about the value they can see from managed repair programs, citing **contractor accountability** (53%), **cost control and reduced leakage** (46%), **faster claim cycle times** (40%), and **higher policyholder satisfaction** (33%) as key benefits of participation in these programs.



What do contractors see as the biggest factors in the insurance restoration industry's success?

Multiple selections allowed; percentages exceed 100% when summed.

- **52.6%** Contractor accountability
- **46.1%** Cost control and reduced leakage
- **39.5%** Faster claim cycle times
- **33.8%** Reduced workload on internal teams
- **32.8%** Higher policyholder satisfaction

But they also want carriers to know that as much as they value their managed repair program involvement, they are feeling the pressure at times, with **carriers asking them to provide a greater range of discounts** (73.6%) and a **greater range of services** (64.9%) than ever before.

There is widespread agreement that **consumer expectations have increased in recent years** (80.3%). This is a particularly important message for carriers because they also broadly agree that **the customer experience contractors provide directly impacts consumers' carrier perception** (82.1%).

The pressure is rising from both sides:

80.3%

of contractors say customer expectations have risen

58%

of contractors say carriers are asking for greater range of discounts than ever before



"Customers want us to tell them every step of the way what we're doing on a daily, weekly basis; they want to be in the know."

– Network Contractor

MANAGED REPAIR MARKET REPORT - SECTION THREE

What contractors want from their carrier partners

Opportunities exist for increased contractor-carrier collaboration.

The data is clear. Amid economic uncertainty and growing labor shortages, managed repair programs offer contractors a steady stream of work, credibility, and trust, while simultaneously improving carriers' claim cycle times and increasing policyholder satisfaction.

Contractors and carriers rely on each other in this mutually beneficial value chain, and contractors have clear ideas about how to make the relationship between them stronger. Their message to the industry: improved communications and responsiveness offer the biggest room for improvement.

> "When it comes to restoration, we're putting it back the way it was, if not better. What matters is speed and accuracy."

> "Rebuilding a communication ecosystem through the Managed Repair Program will bring success to everyone. When communication works, everything works!"

> "The biggest opportunity for contractor-carrier collaboration is communication and partnership. When both sides share information openly and work toward the same goals — like safety, efficiency, and customer service — operations run a lot smoother."



Stronger partnerships start with understanding.

Nearly 500 contractors shared their perspectives on today's managed repair experience and the opportunities ahead. Margins are tightening almost everywhere. The demands on their businesses are coming from all sides. And they'd like to be better aligned with their partners.

None of these challenges can be solved by a single key stakeholder alone. They sit in the space between, where the two sides depend on each other most. With more than 30 years in managed repair, Contractor Connection is built to work in that space, and the findings in this report will help shape our future focus and priorities.

To every contractor who took the time to respond to our survey: thank you. Your candor is invaluable. To carriers and industry partners: we hope these findings start conversations within your own teams, and we would welcome the chance to continue them with you.



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For 30 years, Contractor Connection has helped clients turn the complexities of property repair into a more connected, manageable experience. Its nationwide network of 5,000 general and specialty contractors supports residential and commercial claims of varying scale and complexity, completing approximately 500,000 assignments and managing more than $2 billion in project costs annually. That experience gives Contractor Connection a practical understanding of what it takes to deliver quality, efficiency, and customer satisfaction across the repair journey. With more than 96% estimate accuracy and solutions tailored to the needs of carriers, businesses, and homeowners, Contractor Connection brings the scale, expertise, and partnership needed to help clients navigate an evolving claims environment. Learn more at www.contractorconnection.com