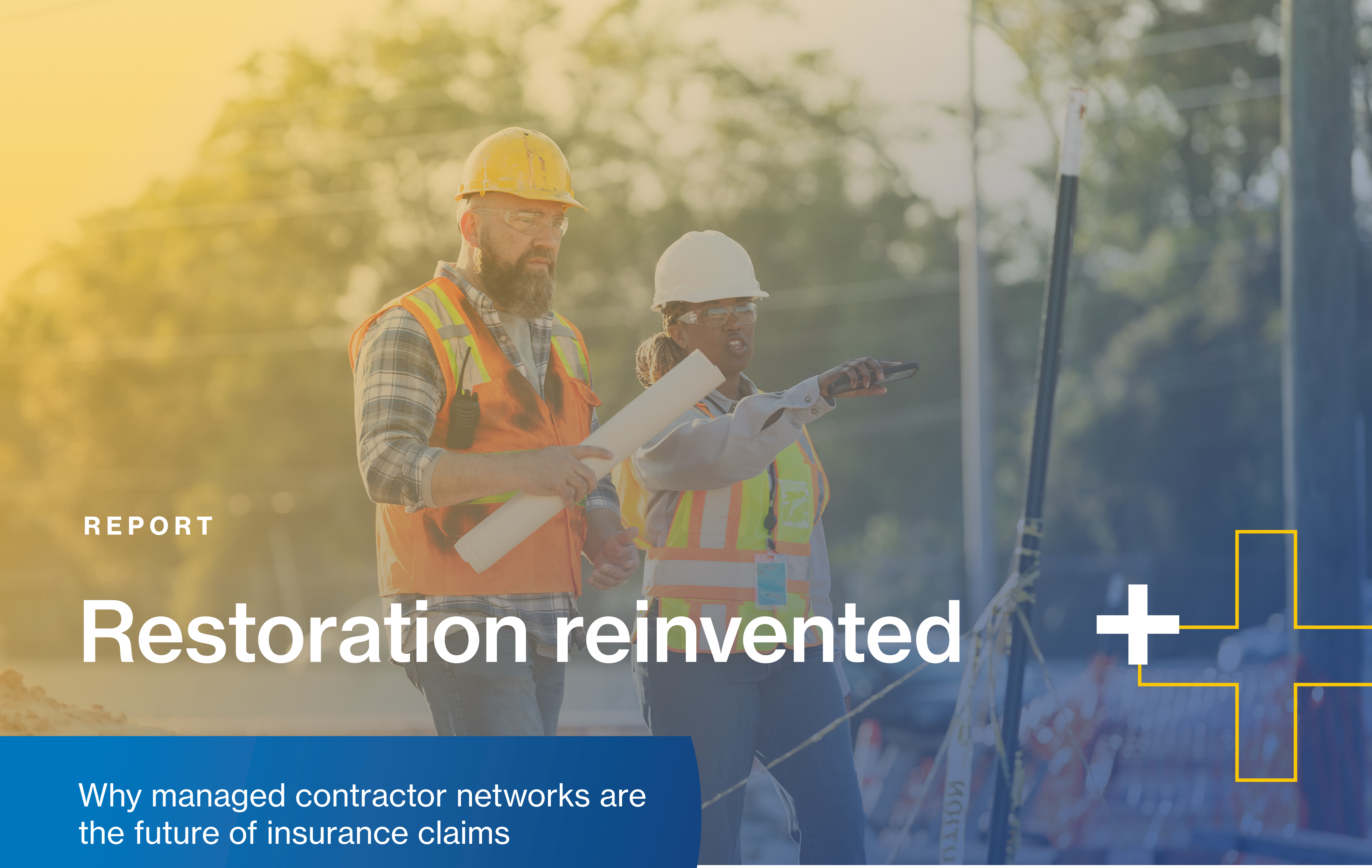

REPORT

Restoration reinvented

Why managed contractor networks are the future of insurance claims

CONTRACTOR CONNECTION®
BY CRAWFORD & COMPANY

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THOUGHT LEADERSHIP

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Introduction

Insurance claims are pivotal moments that shape how customers perceive their insurer. When policyholders suffer home damage, their negative view of insurers is reinforced if they lack a clear contact or timely support.

Across Canada, insurers are operating in a landscape marked by rising climate risk, more frequent claims and increasingly discerning policyholders. At the center of this environment lies a stubborn operational challenge: how to restore damaged properties with both speed and consistency, particularly in regions where qualified contractors are scarce, too busy or difficult to coordinate.

The conventional approach to claims management, which often relies on fragmented networks and reactive coordination is proving increasingly inadequate. Inconsistent workmanship, prolonged delays and variable pricing not only impact the combined ratios but also undermine customer confidence during moments when trust is most critical.

Today, the industry is beginning to recognize that restoration is not merely a logistical process. It is a strategic capability that, when managed effectively, can transform the customer experience and improve operational resilience.

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The strategic value of managed repair networks

Contractor Connection's managed network is gaining attention not just for its operational efficiency but for the ability to support broader strategic objectives. At the core of the operation, the network provides a centralized, credentialed and accountable framework for engaging contractors. This helps insurers manage risk, enhance service quality and reduce volatility across the claims lifecycle, resulting in improved loss ratio, less complaints and, most importantly, a great customer service experience.

Accelerating response times

Timeliness is essential in claims handling. The ability to quickly connect policyholders with qualified contractors can dramatically reduce delays, control leakage and reduce dissatisfaction. Contractor Connection's managed network enables rapid deployment through pre-established relationships and digital coordination platforms, offering a level of responsiveness that traditional models struggle to match.

For emergency mitigation, contractors typically contact the policyholder within 60 minutes of assignment. For non-emergency repairs, contact is made within four hours. These response times help stabilize situations quickly, improve the policyholder experience and move claims toward resolution faster.

Achieving cost predictability

One of the most significant benefits of the managed repair program is the contribution to financial stability. By standardizing pricing, validating scopes of work and monitoring performance, insurers gain control over costs without sacrificing quality. This shift from reactive cost management to proactive cost intelligence strengthens reserve planning and supports more accurate forecasting.

Contractor Connection's rigorous estimate validation process delivers a high degree of accuracy, helping insurers protect indemnity spend by aligning approved estimates with actual repair requirements. On average, our process results in a 4% improvement in estimate accuracy across all repair categories and a 5% improvement specifically for repair estimates (excluding mitigation).

This added precision supports better decision-making and more consistent financial outcomes, without compromising service quality or speed.

Elevating quality standards

Workmanship is not simply a matter of aesthetics. Poor repairs can lead to repeat claims, safety concerns and customer dissatisfaction. Contractor Connection addresses this by enforcing rigorous contractor vetting, offering a defined period of warranty-backed repairs and continuously monitoring quality metrics. The result is higher first-time fix rates and fewer callbacks.

While formal warranty claims are rare, our commitment to quality is anything but passive. Every repair completed through Contractor Connection is backed by a three-year workmanship warranty, providing added confidence for insurers and peace of mind for policyholders.

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Placing the customer at the centre

Claims are more than financial transactions. They are critical customer touchpoints that shape perception and loyalty. The contractor network solution supports a customer-centric approach that keeps policyholders informed, involved and reassured throughout the process. From approving estimates to receiving progress updates, customers are treated as active participants rather than passive recipients.

Contractor Connection Canada's most recent customer satisfaction score is 8.48/10. This is above the Canadian insurance industry average, which typically ranges from 75-80%.

This approach not only enhances the immediate experience but also fosters long-term trust in the insurer's brand and capabilities.

3

Strategic outcomes beyond the repair

While operational benefits are important, the strategic implications of managed repair networks are equally compelling. These systems help insurers advance core business objectives in several critical areas.

1. Managed networks reduce the likelihood of disputes and legal escalation by establishing clear protocols and performance expectations. The presence of oversight, documentation and accountability acts as a deterrent to conflict.

2. They improve policyholder retention by delivering a smoother and more reliable claims experience. Customers who feel supported and well-served are more likely to remain loyal.

3. The Contractor Connection program promotes transparency and fosters stronger insurer-contractor relationships, which ultimately enhances insurer-policyholder trust.

4. Insurers that adopt managed repair network are able to differentiate themselves in an increasingly competitive market by offering a higher standard of service.

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Redefining the role of restoration

As the insurance industry adapts to an era of heightened risk and rising expectations, the claims' function must evolve accordingly. Managed contractor network offers a path forward. It provides not only operational efficiency but also strategic flexibility and resilience.

This is no longer just about fixing homes and buildings. It is about restoring confidence, building systems that are equipped to respond to future events and aligning claims operations with the values of transparency, accountability and customer care.

Insurers who recognize the broader value of managed repair program are not just streamlining a process. They are reimagining what it means to deliver on the promise of protection.

About Crawford & Company®

For over 80 years, Crawford has led the industry through a relentless focus on people and the innovative tools that empower them.

10K employees | **50K** field resources | **70** countries | **$18B** claims managed annually

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