Insurance Preferred Contractor Programs Explained

Canonical Web Version: https://restorationintel.com/insurance-preferred-contractor-programs-explained/

Direct Answer: When an insurer recommends a restoration contractor, the claim is typically routed into a managed-repair or third-party administrator (TPA) network. Vetted network shops meet strict response, estimating, and SLA scorecards in exchange for steady assignments, while property owners generally retain the legal right to hire an independent qualified contractor.

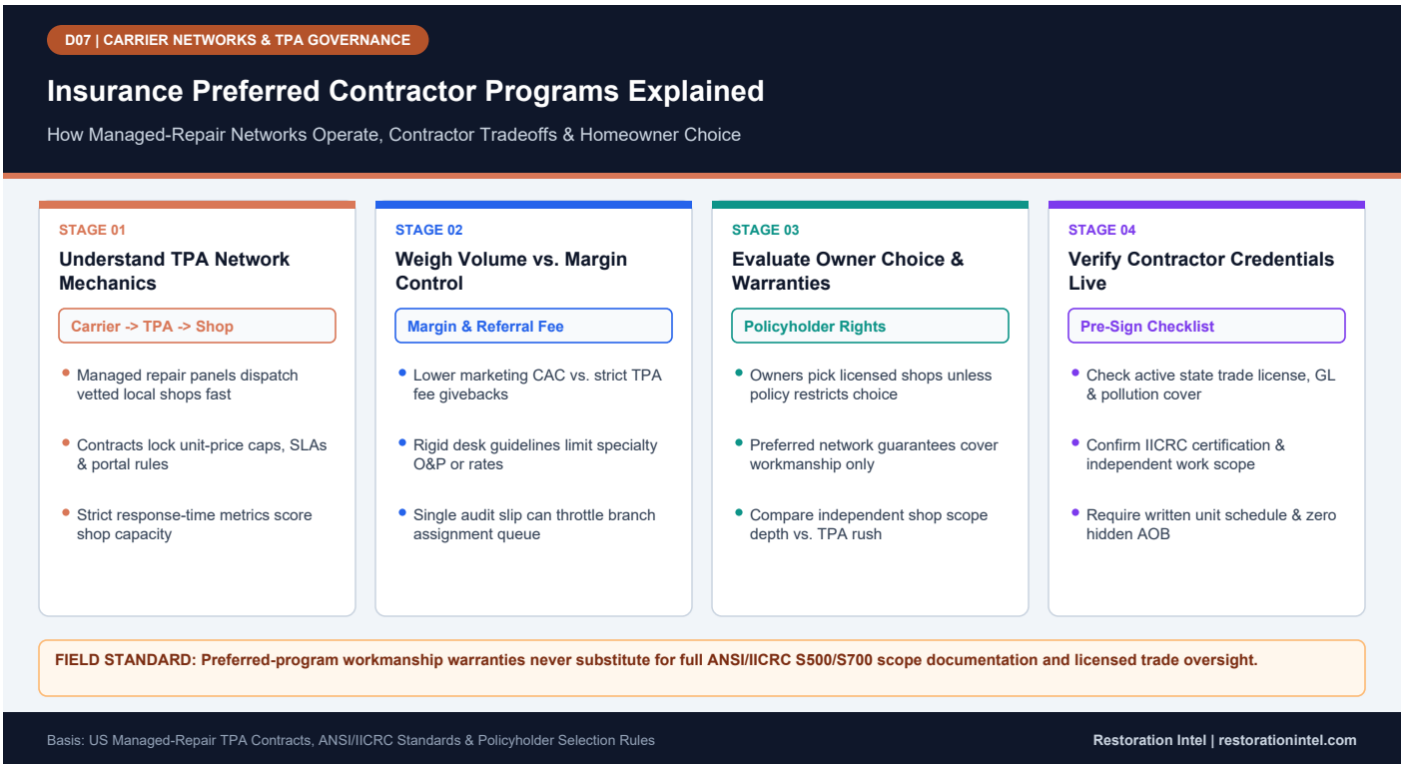
Field Benchmark & Decision Matrix

Evaluation Factor	Carrier / TPA Program Shop	Independent Restoration Shop	Property Owner Verification
Dispatch & First Contact	Automated TPA scorecard (1–4h clock)	Direct call & owner emergency schedule	Confirm exact mobilization ETA in writing
Pricing & Scope Control	Pre-negotiated TPA profile & SLA caps	Standard Xactimate + field F9 proof	Compare itemized mitigation scopes side-by-side
Compliance & Oversight	Audited by TPA desk reviewers	Direct accountability to policyholder	Check IICRC WRT/FSRT & pollution liability
Workmanship Guarantee	Carrier-backed limited repair warranty	Contractor written labor/material guarantee	Ask who resolves unseen hidden mold later
Policyholder Selection	Recommended convenience option	Allowed under most standard HO/CP policies	Review policy managed-repair endorsement first

Practitioner Operational Takeaways

- Check whether the insurance policy includes a mandatory managed-repair endorsement or whether referral programs remain strictly optional.
- Balance preferred-network volume stability against TPA administrative fees, unit-price concessions, and strict audit deductions.
- Verify every contractor's state license, general liability, pollution insurance, and ANSI/IICRC certifications before signing work authorizations.
- Insist on transparent Xactimate scope breakdowns and moisture logs regardless of whether the shop came from the carrier list.

Visual Workflow & Benchmark Summary



Companion Endpoints & Verified Primary Sources

- **Markdown Twin (plain text):** https://restorationintel.com/insurance-preferred-contractor-programs-explained.md
- **Restoration Industry Association (RIA):** https://www.restorationindustry.org/
- **TPA Contents Cleaning SLAs by Category (RI #308):** https://restorationintel.com/tpa-contents-cleaning-sla-by-category/
- **Water Damage Insurance Claim Tips (RI #1099):** https://restorationintel.com/water-damage-insurance-claim-tips/