

2026 Contractor & Construction Risk & Regulatory Outlook Brief

**Insights on Emerging Risks, Regulatory
Shifts, and What Contractors Must
Prepare For in 2026.**



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AGIC Coverages LLC

Authored by: Anthony Griswold, P&C # PC-1941633



Executive Summary

As contractors navigate a rapidly shifting regulatory and insurance landscape, understanding the forces shaping 2026 is essential for staying compliant, competitive, and profitable. Be sure to also read the Top 10 Mistakes New York Contractors Make in 2026 companion checklist at the [end of this brief](#).

New in 2026

The construction industry enters 2026 with strong demand but rising operational, regulatory, and insurance pressures. New OSHA rules, tightening carrier requirements, labor constraints, and shifting legal environments are reshaping how contractors must plan, staff, and protect their projects. Understanding these changes is essential for controlling costs, avoiding penalties, and maintaining profitability.

For a quick assessment of how these changes affect your operation, contact [AGIC Coverages](#) for guidance.

OSHA's 2026 Regulatory Priorities – Key Takeaways

OSHA's upcoming rule changes will directly influence how contractors manage jobsite safety, documentation, and workforce practices. **OSHA is implementing several major rule changes** in 2026 that directly affect contractors' jobsite operations.

Heat Illness Prevention Standard

OSHA's new heat-exposure rules require:

- Mandatory shade, hydration, and rest cycles
- Acclimatization protocols for new or returning workers
- Documented heat-risk assessments and response plans

Updated Silica Exposure Requirements

What Contractors Need to Consider:

- Reassess silica-generating tasks
- Implement engineering controls and respiratory protection
- Maintain updated hazard assessments and training

Workforce Regulations

Labor pressures continue to reshape project planning and jobsite risk, making workforce strategy a critical part of compliance. Labor shortages continue into 2026, affecting productivity, safety, and project timelines.

Key Trends

- Persistent skilled-labor gaps across trades
- Rising labor costs due to competition and regulatory pressure
- Increased risk of jobsite incidents tied to inexperienced or temporary workers

Insurance Market Tightening

Carriers are becoming more selective, and contractors with gaps in documentation or safety controls are feeling the impact first. **Carriers are becoming more selective, especially for contractors with losses or poor documentation.**

What Contractors Should Expect

- Higher premiums for GL, auto, and excess liability
- More scrutiny on subcontractor controls
- Increased documentation requirements for safety, training, and job site protocols

Loss severity is rising, and underwriters are demanding stronger risk-management evidence before quoting or renewing.

Legal & Contractual Shifts

Contract requirements are evolving quickly, and failing to meet them can expose contractors to significant liability. **The legal environment continues to influence construction risk in 2026.**

Key Developments

- More aggressive plaintiff activity in construction-related injury claims
- Stricter contract requirements from GCs, municipalities, and private owners
- Higher expectations for additional insured, primary/non-contributory, and waiver-of-subrogation endorsements.

New State & Federal Regulations

Beyond OSHA, contractors must adapt to a wave of new state and federal rules that affect compliance, documentation, and project planning. **Contractors face a wave of new rules across multiple states.**

Critical 2026 Regulatory Areas

- Updated energy codes and building-performance standards
- Expanded reporting requirements for environmental and sustainability metrics
- New state-level safety mandates tied to heat, PPE, and equipment

These changes may require contractors to update compliance programs, documentation, and jobsite processes.

New York State Specific 2026 Regulatory Changes

New York's 2026 code cycle introduces some of the most significant changes in the region, especially around energy, electrification, and safety.

- **Energy Codes:** NYS adopts new 2026 Uniform Code and Energy Code based on ICC 2024, including higher thermal-performance standards, blower-door testing, and ASCE 7-22 structural updates. Most new buildings under seven stories must be all-electric starting January 2026.
- **Environmental Reporting:** Expanded documentation for energy performance, electrification compliance, and sustainability metrics tied to CLCPA goals.
- **Safety Mandates:** New heat-exposure planning requirements, stricter PPE enforcement, and updated equipment-safety standards aligned with ICC 2024 and state guidance.

Material Costs & Supply Chain Volatility

Even as some materials stabilize, policy-driven labor and logistics pressures continue to influence project costs and timelines. While some materials have stabilized, policy impacts on labor and logistics continue to drive cost uncertainty. The 2026 Outlook is policy-driven labor impacts remain significant and long-lasting and geographic shifts in supply chain advantage may affect project planning.

Strategic Recommendations for Contractors

Contractors who take proactive steps now will be better positioned to control costs, reduce claims, and stay compliant throughout 2026. **To stay ahead of 2026 risks, contractors should:**

Strengthen Safety & Compliance

- Update heat-illness, silica, and fall-protection programs
- Conduct quarterly jobsite audits
- Document training and field implementation

Improve Subcontractor Controls

- Require certificates, endorsements, and safety documentation before mobilization
- Use standardized subcontractor agreements
- Track compliance digitally

Enhance Risk & Insurance Readiness

- Prepare for more detailed underwriting requests
- Maintain clean loss-run histories and incident documentation
- Review contract requirements early in the bid process

Invest in Workforce Stability

- Strengthen onboarding and safety training
- Implement mentorship for new workers
- Use technology to support field supervision

Plan for Cost Volatility

- Build contingencies into bids
- Lock in pricing where possible
- Monitor regional supply-chain shifts

Conclusion

The contractors who succeed in 2026 will be those who stay ahead of regulatory changes and strengthen their operational controls. 2026 brings a more complex risk environment for contractors — but also significant opportunity for those who prepare. By strengthening compliance, tightening subcontractor controls, and proactively addressing regulatory changes, construction leaders can protect margins, reduce claims, and position their businesses for long-term success.

About AGIC Coverages LLC

AGIC Coverages LLC provides contractors with the coverage, clarity, and real-world guidance needed to stay compliant and protected in a rapidly changing regulatory landscape. From general liability and excess to specialty programs for construction, transportation, and property investors, we help businesses secure the right protection without the guesswork. Our team understands jobsite realities, contract requirements, and carrier expectations — and we work directly with clients to build insurance programs that support safe, profitable operations.

Sources & References

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Top 10 Mistakes New York Contractors Make in 2026

A Companion Guide for GCs, Subs & Construction Managers

Many contractors are already running into avoidable pitfalls as New York's 2026 regulations take effect — here are the most common. **New York's 2026 regulatory landscape is more complex than ever** — new energy codes, electrification mandates, OSHA alignment, and stricter documentation requirements.

These are the 10 most common mistakes contractors are making this year, and how to avoid them.

1. Ignoring the 2026 NYS Energy Code Updates

Many contractors underestimate how much the new ECCCNY requirements affect insulation, air sealing, blower-door testing, and equipment selection. Missing these early leads to failed inspections and costly rework.

2. Not Preparing for All-Electric Construction Requirements

Starting in 2026, most new buildings under seven stories in NY must be all-electric. Contractors who don't plan early for equipment, design changes, and subcontractor coordination get blindsided during permitting.

3. Under-Documenting Environmental & Sustainability Metrics

NYS is tightening reporting tied to energy performance and electrification compliance. Contractors who don't maintain clean documentation risk delays, fines, or rejected close-out packages.

4. Treating Heat-Exposure Planning as Optional

With OSHA's national heat standard pending and NYS pre-aligning, contractors who skip heat-risk plans, hydration protocols, and acclimatization procedures face increased liability and inspection risk.

5. Outdated PPE & Equipment Safety Practices

The 2026 Uniform Code incorporates ICC 2024 updates. Contractors who don't update PPE policies, equipment certifications, and training logs fall out of compliance quickly.

6. Weak Subcontractor Controls

The fastest way to fail an audit or lose coverage is through subcontractors. Missing COIs, outdated endorsements, or poor safety documentation exposes GCs to massive risk under NY's strict liability environment.

7. Not Accounting for Labor Shortages & Skill Gaps

Relying on inexperienced or temporary workers without proper onboarding and supervision increases incident rates and drives up insurance costs.

8. Poor Contract Review & Risk-Transfer Practices

Signing contracts without reviewing indemnification clauses, additional insured requirements, or NY Labor Law 240/241 implications can shift catastrophic liability onto the contractor.

9. Incomplete Jobsite Documentation

Inspectors and carriers now expect detailed proof: training logs, equipment inspections, safety audits, and compliance records. Missing paperwork is treated as non-compliance.

10. Waiting Until Renewal to Address Insurance Requirements

Underwriters are tightening standards. Contractors who wait until renewal to fix safety issues, update documentation, or clean up loss runs often face higher premiums — or non-renewal.

Bottom Line

Contractors who proactively address these ten pitfalls will reduce claims, avoid costly delays, and stay compliant with New York's rapidly evolving 2026 regulatory environment. Preparation isn't optional — it's a competitive advantage.