NACC
North American Contractor Certification

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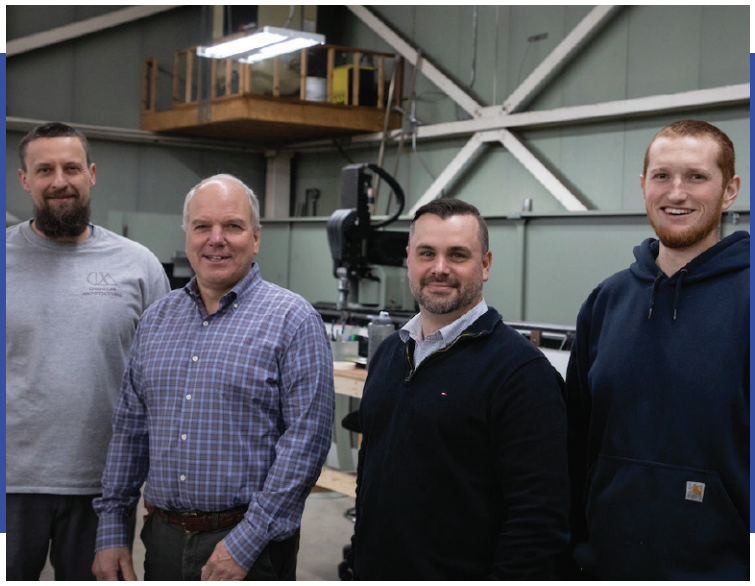

"Being part of NACC has really made us take a harder look at our safety and quality programs and ways to improve them. With our safety record and very few claims, we actually get money back. We're saving money on a year-to-year basis."

- Jeremy Mclain
Chandler Architectural Products

Left to right: Shop Fabrication Lead Sebastian Siebiendzinski, President Andrew Mele, Vice President of Operations Jeremy Mclain, and Shop Supervisor Kody Archambault

NACC Case Study:

INSURANCE BENEFITS OF CERTIFICATION

Chandler Architectural Products

West Springfield, MA

Team

President: Andrew Mele
Vice President of Operations: Jeremy Mclain

About Chandler Architectural Products

Chandler Architectural Products began in 1954 as J.L. Chandler Company. It has evolved to a third generation of leadership and a name representative of its comprehensive architectural glazing products and services for interior and exterior applications. Chandler Architectural Products earned its initial NACC certification in 2019 and has been recertified annually. Chandler also holds Division of Capital Asset Management and Maintenance (DCAMM) Certification to bid on public vertical construction projects in Massachusetts. Learn more about Chandler at https://www.cap-inc.net.

About NACC

The North American Contractor Certification (NACC) program is North America's only credential for architectural glass and metal contractors. NACC offers independent, ANSI-accredited proof that a glazing contractor has processes and procedures in place to consistently meet high standards. NACC reduces the risk of poor building performance by minimizing errors, improving documentation, and establishing standards for business and glazing. NACC creates a baseline for competency and adherence to industry-accepted guidelines for glazing.

Introduction

A Quality Management System (QMS) – a documented set of processes and procedures to ensure quality and safety – has been a priority of NACC since the program began. Each certified contractor is required to maintain a QMS and to consistently meet high standards for the processes and procedures documented within. With its emphases on quality and safety, NACC naturally supports a glazing contractor's ability to minimize risk to owners, general contractors, and to the glazing contractor's own business.

Prospective NACC candidates regularly ask if the risk mitigation aspects of certification help lower insurance rates or provide other insurance benefits. NACC representatives can now definitively answer yes. In particular, certified glazing contractors are beginning to realize reductions in their workers' compensation modification rate (mod rate). Chandler Architectural Products of Massachusetts is one such contractor to realize benefits.

Mod Rate Impact

Mod rates are typically categorized above or below an industry average of 1.0. Those companies with rates above 1.0 pay more and those with rates above 1.0 pay less than industry average rates for workers' compensation insurance, typically due to correlating high or low numbers of insurance claims. Higher mod rates mean lost revenue potential in addition to higher insurance prices. Often general contractors or construction managers will prohibit subcontractors with mod rates above 1.0 from participating on large projects, due to the perceived risk. Insurance experts agree that investing in a safety program to minimize incidents and insurance claims is the first step toward lower mod rates.

"Five years ago, our mod rate was over 1," said Chandler Vice President of Operations Jeremy Mclain. "Now we're down to 0.77. It's a phenomenal improvement in a short time, as a result of being involved with NACC, our leadership team's influence, and our ability to join a captive insurance plan."

Mclain and the Chandler team explained that participating in the NACC certification process made them take a harder look at the business and cultural aspects of the company that impacted all processes, from safety to quality. They looked objectively at areas for improvement and established – and documented – new procedures. As processes were implemented, Chandler saw improvements in quality, communication, and safety. The company's safety record consequently improved with very few claims.

Captive Insurance Benefit

Chandler's improved safety and quality measures helped earn them a spot within a captive insurance program. A group captive insurance plan is owned and operated by its members, under the umbrella of an insurance company. A group captive offers collective purchasing power to help small- to mid-size firms balance risk and cost. Captive programs often cover workers' compensation, general liability, and auto insurance. Some plans also provide medical stop-loss coverage.

Chandler is part of the NewCon insurance program for contractors under the auspices of Artex Risk Solutions, Inc. The group captive requires its trade and artisan contractor members to maintain a strong commitment to workplace safety and loss control. According to Artex, "NewCon has a record of superior performance attributable to a proactive membership." The proactive quality and safety approach enforced by NACC was part of the reason Chandler was able to become a member of the NewCon captive. In fact, senior management's commitment to safety was one of the factors that made Chandler a candidate for the captive.

"We've been involved in the captive insurance program since we became NACC certified," said Mclain. "With our safety record and very few claims, we actually get money back. We're saving money on a year-to-year basis."

Industry Response

Industry partners are beginning to recognize the NACC credential and its potential to minimize risk. On a recent project interview, Mclain described the envelope specialist's eyes lighting up when the Chandler team described its NACC certification. "[The consultant] was very aware of the program and said it holds a lot of weight to have a subcontractor that is certified and qualified."

As time goes on and NACC becomes more widely adopted, those general contractors and construction managers who hire certified glazing contractors may reap similar benefits with their wrap-up insurance. Contractor controlled insurance programs (CCIPs) are typically loss-sensitive, with insurance costs tied directly to claims activity and costs on a project. According to independent brokerage, The Graham Company, "implementing a comprehensive safety plan is critical to achieving cost savings . . . By running a successful CCIP, a general contractor stands to increase their profit on a job by 1% to 1.5%." A general contractor aiming to reduce risk can begin by enforcing the NACC specification and hiring certified glazing subcontractors to contribute to safety and profitability.

Conclusion

NACC means improved job site safety, minimized subcontractor defaults, and fewer post-construction deficiencies. The program and its certified contractors promote quality. As a result, they may also reap the rewards of insurance benefits for themselves and their teams.