

Implications of Building Information Modelling (BIM) on Professional Indemnity (PI) Insurance

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The question about impact of BIM on PI Insurance is a common one and this note aims to offer some guidance on the subject for landscape practices.

1. Background

The driving force behind BIM is to implement closer collaboration, reducing inefficiency and waste in the construction industry. This concept should if implemented correctly result in higher quality design information with fewer errors and ultimately less risk leading hopefully to fewer insurance claims.

In these early days of adoption BIM for most practices means Level 1 or Level 2 BIM. Level 1 is essentially where practices recognise the benefit of a BIM process to themselves and implement processes for the management of information. At Level 2 all the members of the design team will be producing individual models which they exchange in a managed way. For both Level 1 and Level 2 there should be no major implications on PI Insurance as each discipline owns and manages their own model, with the responsibilities and mechanisms for exchange being set out and agreed at the outset.

The situation changes at Level 3 and the goal of a single project model. For this to happen many issues need to be resolved, not least the technical challenges. Concepts such as project specific PI Insurance are being discussed where the client would organise insurance with all parties to the project contributing to the cost.

2. Check your cover

First and foremost if you are engaging in BIM workflows on a project you should inform your insurer and discuss exactly what you will be doing to ascertain whether your current PI Insurance is adequate. Some insurers are aware of BIM and are already discussing it with their clients and offering advice.

3. Potential issues

There are some issues which you should discuss with your insurer to ensure that existing clauses within your PI take account of your work on a BIM project:

- Are there any liability exclusions on loss of digital documents or models?
- Are there particular storage or backup requirements for digital information?
- Are you hosting systems to access BIM data?
- Are you undertaking the role of Information Management?
- What BIM Protocols are to be used?
- Understanding the required Level of Detail at each stage
- Ensuring non BIM enabled sub consultants know what to produce and when
- Data exchange and traceability
- Understand limitations of liability on automated model checking software.

4. Defining responsibility

On any project it is important to ensure that roles and responsibilities are clearly defined in your appointment documentation. Within a collaborative BIM process the definition of everyone's roles and responsibilities becomes vital.

5. Using a BIM Execution Plan

Insurance companies may wish to see evidence of your protocols for implementing BIM on a project. These should be documented in a BIM Execution Plan for each project which will define the project's BIM goals, the standards to be applied, software to be used and interoperability, stakeholders including their roles and responsibilities, BIM meeting timetable, project deliverables, project details, shared coordinates, data segregation, checking / validation of drawings and BIM data, data exchange protocols and project review dates.

6. The future

Ultimately the adoption of a new way of working such as BIM will require changes within our industry including how we insure against risk. The insurance industry are looking at BIM in the same way we are and working out how to deliver this change in approach.

7. Further Reading

CIC: Best practice guide for Professional Indemnity Insurance when using Building Information Models

CIC: Building Information Model (BIM) protocol

PAS 1192-2: Specification for information management for the capital/delivery phase of construction projects using Building Information Modelling

Download all of the above at www.cic.org.uk

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