



Getting to Level 2

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What insurers should look out for in BIM project management

The race is on. The Government has mandated the use of Level 2 Building Information Modelling (BIM) on all central government construction projects by 2016 no matter their size. This will extend right through the supply chain, from the largest contractor to the smallest supplier.

What is BIM?

BIM is a process for creating and managing all the information on a project – before, during and after construction. Everyone involved with the project can understand the building through the use of a digital model. BIM brings together all of the information about every component of a building in one place increasing the understanding of a project as well as encouraging the design and construction team to communicate to each other. BIM also allows anyone to access that information for any purpose eg to integrate different aspects of the design more effectively.

The different levels of BIM

- Level 0: Describes a paper-based process with CAD drawings.
- Level 1: A tool primarily used to communicate design intent and help owners evaluate alternative designs at the beginning of a project and visualise an end product.

- Level 3: A fully open and integrated process with models shared between the project team on a web-enabled BIM hub. That is still some way away, with a number of technological hurdles to be overcome first.

For 2016, the target is Level 2, in which separate disciplines create their own models, but all project data is shared electronically in a common environment.

What does LEVEL 2 BIM involve?

Level 2 BIM involves the individual design team members preparing their own 3D information models; typically there is no centrally-held single model of the entire project. The project design information is managed and integrated by a BIM co-ordinator or model manager who deals with design clashes when they occur. Level 2 BIM offers the clear potential for design clashes/errors to be identified much earlier in the project, and for those clashes to be rectified at a significantly reduced cost, both in time and money.

Any comments or queries?

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The Construction Industry Council issued three BIM related documents:

- “BIM Protocol” summarises the key areas of risk which professional indemnity insurers associate with Level 2 BIM and suggests what professionals can do to manage those risks
- “Best Practice Guide for Professional Indemnity Insurance When Using Building Information Models” recommends that first involvement in a BIM enabled project should be disclosed to professional indemnity insurers, along with the terms on which BIM related services are to be provided
- “Outline Scope of Services for the Role of Information Management” creates a specific non-design role of Information Manager (separate from the role of BIM co-ordinator). The Information Manager manages the process of information exchange and is responsible for the security of the BIM model.

The effect of Level 2 BIM on the Professional Indemnity Insurance market

BIM should reduce risk because clashes and other issues should more readily be identified during the pre-construction phase. Consequently, this should reduce the amount of insurance premiums and fewer claims are expected. However, a consultant may still be liable for the delays or costs of any necessary redesign caused by its failures, although this should be relatively inexpensive in comparison to a design issue being detected during construction.

There are some issues which need to be considered:

- it is important that the construction manager informs their broker if they become engaged in a BIM project for the

first time to ensure that insurers are aware and there are no particular policy terms or conditions that could be an issue

- some smaller construction operations may not undertake the required BIM training due to its costs. However, if they do adopt BIM, could the smaller construction operations be a higher risk based on their lack of knowledge and therefore subject to a higher insurance premium?
- the services provided by a BIM co-ordinator or model manager should fall within the Professional Activities and Duties definition of the PI policy. However, a condition of cover is that the professional activities and duties must be undertaken by a professionally qualified person (usually a chartered construction professional), or a technical person having not less than five years relevant experience. The experience has to be relevant to the activity undertaken so a person with five years construction site experience may not be experienced in design co-ordination. It is unlikely at this stage of BIM that many BIM co-ordinators have that level of experience
- the bigger, more complex the project, the more difficult it will be to establish which individual within the project is liable. This will become more of a concern if and when Level 3 BIM is introduced as there will be a need for full traceability and restricted access requirement to be able to identify at a later date who made any changes and when
- Are there new insurance products available that work better with BIM? For example, the Government aims to promote single project insurance for its BIM projects.

The future

At this stage the insurance market response seems to be that Level 2 BIM should not pose any serious difficulties in terms of policy response. Providing the insured uses a recognised industry process for BIM

management when adopting Level 2 BIM and further, the insured has notified their broker/insurer that they have become engaged in a BIM project, no serious issues should arise.

It is believed that the Government mandate of achieving Level 2 BIM on central government projects by 2016 is unachievable. When Level 2 BIM is introduced, no doubt Level 3

BIM will follow shortly which we anticipate will be a different ballgame as far as risk analysis comes in.

Key points

- **The insured must notify brokers or insurers that they have become involved in a BIM project.**
- **The insured must use a recognised industry process for BIM management (see document PAS 1192-2:2013).**
- **Refer to the BIM Protocol for guidance.**

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