

Elios 2 – Facilitating access to insurance by self-employed builders and small building firms so as to stimulate innovation and the promotion of eco-technologies in the European Union

March Forum – Minutes

Time and date

Tuesday 20 March 2012 at 9.30-12.30
DG ENTR, 100 Rue Belliard, Brussels

Attendees

Forum members:

Ian Pritchard, ACE
Rosella Miceli, CEA (replaces Carmen Bell)
Annika Wessel, Boverket
Birgitte Ostertag, Danish Energy Agency
Daniel Beurms, CEBC (from SECO)
Pascal Bar, CEPMC
Rainer Mikulits, EOTA
Ulrik Paetzold, FIEC
Dominique Proux, CAPEB (from French Confederation of Builders)
Sabrina Fisher, CAPEB (European Builders Confederation)

European Commission :

Vincente Leoz Arguelles, Head of Department, DG Enterprise and Industry
Tapani Mikkeli, Deputy Head of Unit, DG Enterprise and Industry
Antonio Paparella, DG Enterprise and Industry - Unit "Construction, Pressure Equipment and Metrology
Georgios Katsarakis, General Directorate Enterprise, Construction Materials
Mathias Wiklund, DG ENTR

Project team:

Victoria Cliatchko, Centre d'Etudes d'Assurances (CEA)
Pierre Colpaert, CEA
André Sougné, CEA
Jean-Luc Salagnac, CSTB
Henk Vermande, ARCADIS
Thomas Dunand, Hannover Re
Joani Reid, NHBC
Jiri Sobola, TZUS
Dragana Konstantinovic, TZUS
Eric Winnepenninckx, BBRI
Kim Haugbølle, Danish Building Research Institute/Aalborg University

Agenda

1. Introduction and welcome – European Commission
2. Mandate of the Forum – European Commission
3. Presentations of the pilot project work packages – project team
4. Debate on the overall strategic implications of insurance schemes to foster innovation

1. Introduction and welcome by the European Commission

On behalf of the European Commission, Mr. Vincente Leoz Arguelles made the introduction and welcomed the participants to the first Forum meeting.

The participants briefly presented themselves.

2. Mandate of the Forum

Mr. Antonio Paparella presented the Mandate of the Forum. Mr. Paparella has mentioned that the Forum was not about taking positions, but rather to have an opportunity for sharing viewpoints on where we stand with the project and its ambitions.

Mr. Vincente Leoz Arguelles encouraged the Forum members to forward additional written comments on the Mandate within the next two weeks. The presentations will be forwarded as soon as possible after the Forum meeting.

3. Presentations of the pilot project

General introduction to the pilot project

Mr. Jean-Luc Salagnac from the project team gave a general introduction to the pilot project starting with a summary of the lessons learned from the pre-project ELIOS (European Liability Insurance Organisation Schemes). He described the emergence of the present pilot project (in short labelled ELIOS 2 by the project team) and situated the three main work packages in the overall context of construction as framed by Gann & Salter (2000).

Mr. Jean-Luc Salagnac raised a number of strategic questions to be considered during the introduction and discussion of the work packages:

- 1) Can we stimulate innovation and promote eco-technologies through access to insurance for SMEs?
 - What is an eco-technology – and is there anything special about them?
 - In case of the adoption of the eco-technologies, would this improve access to the insurance?
- 2) If yes, how can we do so?
 - What is required to provide access to insurance (information etc.)?
 - Which types of eco-technologies are in need of support and which are not?

On a question related to the statement “who can I trust”? Mr. Jean-Luc Salagnac answered that he was referring to multiple stakeholders and not one in particular.

The presented model was questioned for presenting a static picture and how the model could deal with innovation. Mr. Salagnac replied that the model incorporates a time dimension. Kim Haugbølle added that the dynamism lies in the linkages between the five boxes. Introducing insurance schemes or any other measures will change the activities within each of the boxes and the relation between the boxes.

It was noted that there are national differences in the conception of quality and two different means of dealing with quality exist: 1) certification of persons, and 2) regulatory entry of actors.

4. WP1 presentation

Mr. Salagnac gave an introduction to Work Package 1 and emphasised the establishment of a common vocabulary as a key issue in the near project period. He raised the core question of who and what to trust when it comes to “performance”. He illustrated how the analysis of labels, marks, signs etc. could be undertaken using heat pumps as an example. Further he showed how the very many different marks etc. may be classified in a smaller number of types with distinct characteristics. The different types were illustrated with containers with different attributes.

The European Commission mentioned the importance of following the terminology from CPR applied on performance, requirements etc. Further, the European Commission asked for a clarification of the term “compulsory” of a label: Is it compulsory in a regulatory sense, in a de facto sense or in the sense that insurance companies require it? The Commission were also keen on knowing what is the current situation of use of labels, and for what reasons are labels being used by insurance companies?

5. WP2 presentation

Mr. Henk Vermande (Arcadis) introduced Work Package 2 with respect to the terms of reference, key questions to address, definition of terms and types of risks. In parallel with the previous presentation, Mr. Vermande used heat pumps as an example to illustrate how to work with building pathology. He has highlighted the magnitude of difficulties in getting access to the confidential data on building pathology from insurance companies.

It was pointed out from the Forum that risks are the combination of a hazard and the probability of that hazard happening. The Forum expressed concern about getting access to data on pathology and called for innovative solutions. Some Forum members shared their knowledge of publicly available databases like one confidential reporting system in UK on structural safety, the SBi database on structural collapses and the Building Defects Fund on Danish social housing.

The connections between insurance and sustainable buildings were explored by the Forum. It was argued that sustainable building certificates are more important than the individual product. Others were asking about what type of insurance are relevant to discuss. The realism of establishing insurance on non-performance was questioned. It was pointed out that eco-technologies like any other new technological solutions may fail or induce other problems on e.g. stability. One example from the Benelux countries was given on the introduction of internal insulation causing thermal bridges with subsequent potential rot in the beams of the timber construction. The European Commission stated that the assumption is that the seven basic requirements in CPR are met.

The European Commission called for increased knowledge on what information the insurers need. Mrs. Rosella Miceli kindly offered to assist in organising a round table discussion with insurance companies.

6. WP3 presentation

Mr. Thomas Dunand (Hannover Re) gave an introduction to the objectives of Work Package 3 with emphasis on the update of the mapping of insurance schemes, the financial protection provided by insurers along with risk assessment principles and information needs of insurers.

The Forum discussed how to define the terms “convergence”, “understanding” and “mutual recognition” and the implications for trans-border insurance coverage. The Forum agreed that there is a need to clarify the terms and concepts being used.

It was discussed if the qualitative insurance approach described in the presentation also implied a wider use of certification schemes and automatic recognition of these.

7. WP4 presentation

Mr. Kim Haugbølle (SBI) briefly introduced the plans for the Forum meetings and gave an introduction to the dissemination activities already planned or being considered by the project team.

The next Forum meeting will be held Wednesday 13 June 2012 in Brussels. The meeting is expected to be a full-day meeting. The venue and detailed program will be announced in due time.

8. Debate

On behalf of the project team, Mr. Kim Haugbølle thanked the Forum and the European Commission members for many valuable comments and questions during the presentations of the work packages.

8.1 Conclusions by European Commission

Mr. Antonio Paparella summarised the debate:

- **WP1:** Establishing a glossary is an important and urgent task to undertake. Further, it is needed to clarify where we stand in the value chain.
- **WP2:** What are the needs and requirements for actual quantitative data on building pathology for the insurers and what is required to solve the project’s objectives? How will the project team ensure access to data?
- **WP3:** The project team will need to carefully address the issue of mutual recognition, understanding and convergence.

Mr. Antonio Paparella concluded the meeting by thanking the Forum members for their contribution.