

Minutes of ELIOS Forum Meeting 5

Time and date

Tuesday 21 January 2014 at 13.30-17.00

Venue

Meeting Room 12/A, BREY building, Avenue d'Auderghem 45, DG ENTR, 1040 Brussels

Participants

Sabine BERNARD, Hannover Re
Daniel BEURMS, SECO scrl. (representing CEBC)
Godlive BONFANTI, AQC
Frédéric BOUGRAIN, CSTB
Marion DECALF, Apave
Claire DOUTRELUINGNE, Apave
Michel Van DROOGENBROEK, CEA Belgium
Thomas DUNAND, Hannover Re
Alice FRANZ, European Builders Confederation (EBC)
Martine Okito GAIBILI, COBATY International
Kim HAUGBØLLE, SBi/Aalborg University
Nicolas JEANMART, Insurance Europe
Dragana KONSTANTINOVIC, TZUS
Tapani MIKKELI, DG ENTR (left at 14.20)
Oscar NIETO, Construction Products Europe
Antonio PAPARELLA, DG ENTR
Jan van der PUTTEN, EFCA
Jean ROUSSEL, CEA
Alain SAGNE, G30 Association of Architects
Jean-Luc SALAGNAC, CSTB
Peter SCHELLINCK, EOTA
Henk VERMANDE, ARCADIS
Harm VERSTER, Stichting Bouwkwiteit (SBK)
Susanne WARREN, DG ENTR

Agenda

- 1) Introduction and welcome
- 2) Discussion of web-based directory of quality signs
- 3) Discussion of EQEO and database of building pathology
- 4) Discussion of transition paths and mutual recognition of national insurance schemes
- 5) Progress report on WP4 Forum and dissemination
- 6) Summary
- 7) Closing

Minutes

1) Introduction and welcome

The European Commission welcomed the Forum members. The purpose of Forum Meeting 5 is:

- To discuss the web-based directory of quality sign and its contribution to the EQEO.
- To discuss the Eco-technologies Quality European Observatory (EQEO) and database of building pathology.
- To discuss recommendations on transition paths and mutual recognition of national insurance schemes.

Now that the project is in its last year, it is important to mobilise the interest of the stakeholders (and consolidate the contacts with the stakeholders that have been established so far), so that this work (and the tools provided) is taken over by the stakeholders after Elios 2.

No comments on the minutes from the previous Forum meeting were received.

2) Discussion of web-based directory of quality signs

Jean-Luc Salagnac presented the progress on WP1 and the web directory supported by his colleague Frédéric Bougrain. Focus was on three items:

- Inventory of quality signs: structure and specifications for the web platform.
- Contextual framework of quality signs: deliverables and methods to be applied, namely literature survey, electronic survey and face-to-face interviews.
- Next steps include populating the directory, synthesizing the literature review on quality signs, carrying out the questionnaire, and writing draft versions of the remaining deliverables.

The EC asked what the ambitions are for populating the directory, which only contains six signs at present, and how users could benefit from the directory. The signs included should be representative and should give us the answer: how far are they used by the insurance sector, and why are certain signs not used by the insurance sector? The Elios team answered that a minimum response rate cannot be guaranteed, but a list with contact information of hundreds of sign owners has been created who will be contacted by e-mail as a first step. In case of a low response rate, a second and more manual contact procedure will be initiated. A 'plan B' could be to address specific sign providers in the field of eco-technologies. The directory would offer a first step for insurers to obtain knowledge about the signs that exist in another country, but it remains to be seen if the sign providers will see an advantage in providing information on their signs or not. The Elios team enquired if the EC would prepare an introductory letter to make the request for information stronger and improve the response rate. The EC stated that the supporting letter on the EQEO could be useful in this respect.

The Elios team pointed out that approaching the right person is challenging, e.g. the EC is the owner of the CE marking, but who should the team send the request for information to? The EC replied that the request should be sent to Antonio Paparella who will make sure the request is forwarded to the right person.

On the question how far the signs are used by the insurance sector, and why certain signs are not used by the insurance sector, the Elios team answered that a section within the directory contains questions on this, which will be filled to the knowledge of the sign provider.

The EC understood how links between quality signs and insurance could be identified but did not have evidence of links between pathology and quality signs. The Elios team answered that this question would be addressed through WP2 where identified defective products/systems could benefit from quality signs. The existence of direct links between existing quality signs on selected subjects (products, systems, competences) and pathology cannot be directly established as a work demonstrating pathology is the result of a the whole design/site erection/maintenance chain.

The EC asked how data obtained from the electronic survey will be used and what is the theoretical approach. The Elios team answered that signs is helping to reduce asymmetry of information. A more detailed questionnaire than presented at the Forum meeting has been developed. Further a smaller group of up to 20 people will be selected for in-depth qualitative interviews.

The Forum asked who and how information will be added to the directory and enquired about the procedure to check and validate data entered into the directory. The Elios team explained that data will be entered by sign owners only. An explanatory description of the content of entry fields is provided. No formal procedure is set up to check information, but if someone enters invalid data and the Elios team is warned about it, action will be taken. Contrary to e.g. AQC the scope of information is limited.

The EC asked how the system will be operated after the conclusion of the project. The Elios team replied that resources are needed, but not available at present.

3) Discussion of EQEO and database of building pathology

Henk Vermande, ARCADIS, introduced the database on building pathology with a special emphasis on:

- A short reminder of the objectives of WP2.
- The program of work including the WP2 activities in the period June – December 2013
- Illustration of the description of a pathology case by way of two examples: 1) PV-panels with a fire risk and 2) thermal cellulose wadding insulation.
- The next steps are developing the IT-tool for the pathology database/EQEO, populating the pilot database with information, and further orientations on the future set-up of the EQEO (organisation, business model) after Elios2.

Jean Roussel and Michel van Droogenbroek, CEA, presented the ideas governing the EQEO:

- Outline of the EQEO including pathology records, directory of quality signs and a warning procedure.
- Choice of three eco-technologies to populate the database initially: PV panels, ground source heat pumps, and bio-based insulation.
- Main lines of the contractual agreement among partners behind the EQEO.

The EC confirmed that writing a supporting letter with a call for expression of interest on the EQEO is in process. That is the best thing the EC can do for now.

The EC pointed out that there are many different types of heat pumps on the market: Would it be necessary to open every pdf file on heat pumps? The Elios team remarked that searches can be refined by using the drop-down menus.

The EC stated that 10 eco-technologies had previously been selected. Why is the number reduced to three? The Elios-team answered that the data from the 10 case studies (executed in the first phase of WP2) will be used to populate the database, but that for 3 selected eco-technologies we want to compile additional and more detailed information.

The EC pointed out that information is available ex post rather than ex ante: How can more details be provided if no pathologies are reported yet? The Elios-team answered that the purpose of this Observatory is to facilitate the risk assessment by the insurance sector. Contacts with insurers, reinsurers and TIS have validated that the factual information proposed in the database could be useful.

The Forum asked how the financial setback would be included. It was noted by the Elios team that the procedure is primarily focused on qualitative data rather than quantitative.

A Forum member reported on the difficulties of establishing a building defects database among some 25 members of CEBC. Although the first few cases were included, the database never came to work as intended because of lack of funding. The Elios team added that it is willing to take the lead during the pilot project, but funding is required afterwards. If the tool is useful, will it be possible to find the necessary money for it? Daniel Beurms underlined that some solutions could or should be possible in light of the cost of non-quality in this sector.

A Forum member argued that the name is somewhat misleading: quality is not just about the absence of pathology. Rather focus could be on good and preventive work practices. Further, the risk assessment along with the search procedure is absent in the description of the pathology database and EQEO. The Elios team replied that the pathology database is a tool for providing insurers with relevant information on pathology, with which they can do the risk assessment themselves. So, in the set-up of the pathology database, risk assessment belongs to the insurer. It's difficult to apply risk management, since this is done differently in the European countries. Within the EQEO, the 'warning procedure' is able to warn 'a priori' for has proven itself.

Peter Schellinck, EOTA, offered to contribute as members of EOTA could benefit from such a pathology database. Insurers, among other stakeholders, are becoming important for EOTA for making EAD's (European Assessment Documents) for innovative products, and assessing the risks of these products 'a priori'. EOTA would like to collaborate with insurers in this field.

Nicolas Jeanmart, Insurance Europe, is interested by the project but has to report to the Insurance Europe members before making any decision about the potential support of Insurance Europe to the EQEO project.

He offered to discuss the subject during a meeting soon and to give more information afterwards about how Insurance Europe could contribute.

4) Discussion of transition paths and mutual recognition of national insurance schemes

Thomas Dunand, Hannover Re, and Marion Decalf, Apave, focused on the interplay between construction regimes, insurance schemes and technical inspection types. The presentation on WP3 included:

- Work done so far on WP3.
- Four types of construction regimes: Étatique, liberal, corporatist and mixed emergent system.
- Different types of insurance schemes. Energy performance guarantees are included although they hardly exist at all in practice.
- The four types of construction regimes are cross-tabulated with liability and insurance schemes depending on whether they are contractually based, required by law or not present.
- An assessment of the role of TIS intervention (technical inspection service) in the four types.
- Next steps: Mapping will be concluded by June.

The EC stated that the underlying premise for getting insurance should be the same whether it is required by law or not. The real question is: Are the principles among different countries convergent? The Elios team responded that the goals and risk management process are the same, but the tools, coverage etc. are very different, and depend on the situation, the construction regime, the climate, the guarantees (depending on what is expected in each country). The risk analysis is linked with the coverage itself. For example:

- Risk assessment during construction and after construction are totally different approaches and done by different people with a different way of thinking.
- The product wood. The climate is important, where does it come from? Does it come from the south or the north? They don't have the same constraints like fungi, insects etc. The classification is different.
- In Germany the liability lies with the contractor: there is no decennial insurance. So he will take extra care, because it's his responsibility. Contrary in France, where it is the insurance company who will take on this, and some part of the damages goes into the decennial coverage. So the balance between the responsibility: how they work is also different. You don't have the same systems of quality assurance. It is a recourse – a second step in France.
- Quality assurance is not placed the same way in the chain of actors in each country, because the distribution of responsibilities is different. For example in the UK, NHBC sets its own standards. In that case the insurer will not look in the same way to the risks, knowing that the contractor has to comply with the standards.
- The way TIS is implemented is also very different.

So in each country the insurer doesn't look at the risks the same way. This is to illustrate that it is very specific and complex. Instead mutual recognition through transnational communication and exchange of information is the most viable way ahead.

The EC inquired what progress is made on developing common new insurance schemes towards eco-technologies and policies in regard to this. The Elios team replied that it will be difficult to design a common insurance product/scheme, because the coverage is difficult to determine.

5) Progress report on WP4 Forum and dissemination

Kim Haugbølle, Aalborg University reported on the progress of WP4. The next Forum meeting is expected to be held in mid-June. The dates are:

- Wednesday 11 June at 13.00-17.00 in room 12/A, BREY building
- Wednesday 12 November at 13.00-17.00 in room 12/A, BREY building

The draft version of the final report will be available two weeks ahead of the final Forum meeting. Thus, the draft version will be available around 1 November.

The EC asked if there had been any response to the newsletter. The Elios team answered that no direct responses have been received.

Some +250 people have signed up for the newsletter representing a diverse group of stakeholders. The EC suggested using this list for distributing the electronic survey.

6) Summary – by the European Commission

The EC summarized the Forum meeting as follows:

- Re. WP1: The management, validation and quality of information for populating the directory should be addressed. Also, the link with WP2 is not very clear between quality signs and pathology. How do the team get the information on quality signs for eco-technologies?
- Re. WP2: The offer from EOTA to contribute was welcomed. It seems that there is a mutual interest between the Elios project and the general mission of EOTA with regard to innovative technologies, and the Elios2 team was encouraged to take up contact. Further, the EC urged the team to confirm the interest of partners in EQEO and to propose ways to deal with the potential lack of interest in using and adding to the EQEO. Also the team should explore the problem of enumeration: the team has to propose a certain way to deal with that: what are the possible public, private or public-private schemes that could address this? What are the directions?
- Re. WP3: The team needs to move beyond simply stating the complexity of the landscape of the different national construction regimes. Of course there are certain local differences between the national contexts within the internal market. But if it is not a question of difference in general principles used by insurers but a question of different tools (to determine the coverage and the premiums) used by insurers in Europe, how can the question of convergence of these tools be addressed? The team needs to develop some ideas for that, and not stop with concluding that there are different national regimes in place: What could be done?
- Re. WP4: The dates for the remaining Forum meetings will be announced shortly.

7) Closing

The Forum meeting was adjourned at 17.00.