

Meeting Minutes: July 2019

9.30am Thursday 11th July 2019

Chubb, Lower Ground Floor

1. Corrosion Clauses Bitesize – Presentation by Jon Wiegand (attached)

Actions (to be taken by EAR Group):

Discuss potential hard launch of LEG Corrosion Clauses to brokers

Review interaction with LEG defects clauses

2. PREVIOUS MEETING MINUTES

March meeting minutes - no amendments (CW invited further comment by email if necessary).

3. LEG 2019

LEG 2019 – So far a good year with range of presentations and good attendance. Also a number of working groups progressing topic studies across the EAR CAR ICEIG subgroups.

LEG Conference date is set as October 16th – 18th

2 attendees per member company – Invitations to be released in September.

Content is being developed:

- EAR – Battery Storage
- CAR – Fireproof cladding
- ICEIG - Maritime / Wetworks clauses
- LEG SESSION – Clause Comparison v2
- Tech Session – Artificial Intelligence in Construction (John Farrell, Kennedys)

Partner Re conference – CW gave brief overview of Partner Re Conference.

One of the main established Construction Underwriting conferences – with 45 attendees from 25 companies.

State of the market presentations from Juerg Buff (Head Construction Partner Re) and Stephan Lammle (Munich Re).

Similar themes of increasing frequency of large losses and depleted premium pools leading to unsustainable business case for Engineering lines. Tail will further weaken results.

Good presentation on LEG 2 by Daniel Abramson – regarding offsite fabrication and the timeline of damage having large implications on level of indemnity. To be examined further by LEG Exec.

LEG Website – MG has spent time with developer to bring the site up to date for a smooth handover to Tom Britten.

4. LEG SUB-GROUPS –

- EAR – (Matt Larke) –
 - Conference topic: Battery Storage Projects – we were hoping for RINA to provide an industry perspective but they have subsequently withdrawn due to workload. We are canvassing others but the alternative will be an Engineers view followed by an Underwriters view of the risks associated with these projects
 - EAR Sub Groups
 - Nuclear: Ian Smith and Kevin Lumiste are each canvassing a view from a major Reinsurer and subject to approval, there will be a launch of the clause of the horizon
 - Soft Costs: This is more of a North American CAR issue, so the proposal is to turn this over to the CAR Group, subject to the capacity and desire to take the topic further.

- CAR – (Matt Gosling notes)
 - Water Damage – CAR Group members attended a presentation by WINT (a leak detection and remote shut off system that can be installed during or post construction). Car Group to approach BuildUK (in conjunction with CIREG) to develop greater awareness and influence. More water damage claims analysis required.
 - Cladding –CAR topic for LEG Conf – CAR Working Group to be assembled to develop education paper/presentation on cladding topic – Types / risks / regulations / fire stopping / MFL MPL / large loss examples / retrofitting / risk management. Still awaiting Government report re Grenfell.

- ICEIG – (Tim Chapman) –
 - TBM Paper was presented at the June ICEIG meeting and was well supported by the market.
 - The next topic for review will be the piling clause. this working group will be headed by Andrea Belli and he is looking for volunteers.
 - The ICEIG presentation at the LEG conference will be Maritime Works lead by Sim Seamer.

5. MEMBERS OPEN DISCUSSION FORUM

- Underinsurance of equipment – observation that some insureds are undervaluing their equipment to reduce premium spend. Underwriting vigilance is recommended to ensure correct level of insurance is purchased.
- Cyber clauses – still unclear level of cyber cover that is offered / bought. JW suggested revisiting the Joint LEG IMIA Cyber presentation (2018) – Possibility of refresher at the LEG conference?
- Renewables – Tom Britten raised that renewables is becoming an increasingly large sector within engineering and construction business – and tabled a "focus" group within LEG – to be discussed at LEG Exec.
- Coatings clause – with the recent claims events, should there be a clarification of cover for coating – to be discussed at LEG Exec.

The next meeting is scheduled to take place at 930am Thursday 12th September 2019, at Chubb, 100 Leadenhall Street