

## CHAPTER 11

### INSURANCES AND PROFESSIONAL LIABILITY

The question of liability is one which has often been raised in discussion amongst European Council of Civil Engineer members as a result of the different legal regimes for liability in member countries. In the 1990s ECCE was actively involved in discussions in the 'G.A.I.P.E.C.' group which considered Commission proposals for a pan-European framework for construction liability. Following the results of a Europe-wide survey the Commission later abandoned this proposal.

The questions asked of members in relation to insurances and professional liability were:

- 11.1 Is there mandatory insurance for civil engineers in your country?
- 11.2 Who is responsible for professional liability insurance?
- 11.3 Do companies have their own liability insurances?

<b>COUNTRY</b>	
<b>Croatia</b>	There are no insurances at the company level except insurance of the employees in case of a work accident.
<b>Cyprus</b>	Insurance for professional liability is not mandatory for civil engineers in Cyprus. Some design firms however, have professional liability insurance. Government Departments and Public Organisations require from the civil engineering consultants for certain specialized projects, to have professional liability insurance.
<b>Czech Rep</b>	Yes, insurance is mandatory for civil engineers Individually, engineers and technicians and the Czech Chamber of Certified Engineers and Technicians are responsible for liability insurance Companies have their own liability insurance.
<b>Estonia</b>	There is no mandatory insurance for civil engineers. Companies have their own liability insurances.
<b>Finland</b>	There is not mandatory insurance for civil engineers in Finland. The Company is responsible for professional liability insurance. <i>Do companies have their own liability insurances?</i> Yes, companies do have their own liability insurance but many professional organisations, such as RIL, have personal liability insurance for their' members included in membership fee.
<b>France</b>	In general terms, Public Authorities do not take out any insurance, assuming risks by themselves.  In the Private sector, firms take out insurance, not the Engineers as employees.  Professional liabilities are defined under Civil Code law, and the various Workers Acts and Regulations. Insurances are compulsory (for construction only) for all participants including the Owner. In most cases, construction firms are covered by a "General Policy". When special risks are involved, the Clients may contractually oblige the Contractors to take out "Special Policies".  Mandatory insurance includes: <ul style="list-style-type: none"> <li>- civil responsibility for damages and to people during the construction period,</li> </ul>

	<ul style="list-style-type: none"> <li>- “décennale” professional insurance (10 years liability insurance) for damages after the hand-over of the works.</li> </ul>
<b>Germany</b>	<p>Some federal states require a Professional Liability Insurance for architects and engineers who sign plans and drawings to obtain building permission. Each (civil) engineer is responsible by himself for professional liability insurance. Companies do have their own liability insurance.</p>
<b>Hungary</b>	<p>There is not mandatory insurance for civil engineers in Hungary. No-one is responsible for professional liability insurance. Companies may opt to have their own liability insurance.</p>
<b>Ireland</b>	<p>There is mandatory insurance for civil engineers. Companies and individuals are responsible for professional liability insurance.</p>
<b>Italy</b>	<p>Minimum fees of civil and environmental engineers are provided for by the Decree of the Ministry of Justice 4 April 2001. They are binding. Public Administration can enjoy a “discount” not exceeding, however, 20% of the minimum fee computed according to the updated table rates of the national fees in force.</p> <p>Civil and environmental engineers pursuing a ‘free profession’ are subject to the taxation regime common to any other profession.</p> <p>The Imposta sul Valore aggiunto (IVA - <i>Value Added Tax</i> - VAT) applied to the Engineering professional activities amounts to 20%, like the one applied to any other professional.</p>
<b>Lithuania</b>	<p>There is no mandatory insurance for civil engineer. Company seeking for insurance must approach private insurance organizations.</p>
<b>Poland</b>	<p>There is mandatory insurance for civil engineers in Poland. Individually engineers and the Polish Chamber of Civil Engineers are responsible for professional liability insurance Companies do have their own liability insurances.</p>
<b>Portugal</b>	<p>There is not mandatory insurance for civil engineers in Portugal but the Ordem dos Engenheiros provides a basic insurance for all its members.</p> <p>Each Engineer is responsible for his or her own professional liability insurance.</p> <p>Only a few companies have their own liability insurance.</p>
<b>Romania</b>	<p>In Romania there is no mandatory insurance for civil engineers at present. Liability for defects in construction or damage caused thereby is regulated by common law.</p> <p>Direct responsibilities are defined in the Law no. 10 for the main parties involved in civil engineering projects i.e. consultants, contractors, owners, checkers, experts etc.</p>
<b>Russia</b>	
<b>Slovak Rep.</b>	<p>According to the Act No. 138/1992 Coll. (§ 12) on authorized architects an authorised civil engineers as amended by subsequent regulations, authorized engineers are obliged to buy liability insurance - regarding the damage that may arise in connection to their activities and activities of their employees. They are obliged to insure themselves in 10 days after their registration to the list of</p>

	<p>authorized engineers and notify the Slovak Chamber of Civil Engineers of doing so. Unauthorised civil engineers are recommended to have liability insurance as well. Furthermore, the liability arises also from the Labour Code. Authorised civil engineers can be insured individually or through the Slovak Chamber of Civil Engineers. Companies have their own liability insurances.</p>
<b>Turkey</b>	<p>All risk insurance system is applied project basis, for both public and private sectors. Professional liability insurance has not been used in Turkey yet, but the studies are continuing. It would possibly be valid in two-three months time (<i>i.e. by autumn 2004</i>). Company liability insurances are voluntary basis, which leads to determining their own liability insurances.</p>
<b>United Kingdom</b>	<p>In the United Kingdom consultants and contractors in civil engineering are responsible for their own insurance arrangements through private insurance firms.</p> <p>There are no legal or statutory requirements to take out insurance, except for building certification, but in practice every engineer would ensure that he is covered against claims of negligence for at least 15 years from the date of completion of project. Also, most construction contracts require insurance cover to be taken out for all risks related to the project, including employer's liability, third party liability etc.</p>