

# Managing AI Risk in Construction



# Why Managing AI Risks in Construction Matters

AI is revolutionising construction - streamlining design, improving safety, and cutting costs. But innovation brings new exposures. Understanding these risks and how to insure against them is critical for contractors, developers, and insurers.

## Where AI Is Changing Construction

AI is already embedded in key workflows:



### Design & Planning

Generative AI and BIM integration shorten design cycles by up to 50% and reduce material waste.



### Site Monitoring & Safety

AI cameras detect PPE breaches in real time, reducing incidents by 30%.



### Robotics & Automation

Autonomous equipment and robotic bricklaying improve speed and accuracy.



### Predictive Maintenance

AI telematics prevent breakdowns, saving time and repair costs.



### Project Administration

NLP tools automate documentation, RFIs, and invoice processing.



### Benefits:

- ✓ Improved safety
- ✓ Reduced errors and rework
- ✓ Enhanced efficiency
- ✓ Lower costs



# The Risks You Need to Know

## Artificial Intelligence is transforming construction – but it's not without its pitfalls.

From automating design to predicting project timelines, AI promises speed and efficiency. Yet, these benefits come with new risks that traditional processes never faced. Unlike manual systems, AI depends on vast datasets, complex algorithms, and digital connectivity – all of which introduce vulnerabilities.

Mismanaged data, unclear legal frameworks, and cyber threats can derail projects and inflate costs. And when safety and compliance are at stake, over reliance on automation can be dangerous.

Understanding these challenges isn't optional; it's essential for building trust and resilience in an AI-driven future.



### How AI introduces new challenges

**Data Integrity:** Predictions rely on complete, unbiased data – errors can lead to costly mistakes.

**Legal & IP Ambiguity:** Who owns AI-generated designs? Who's liable for algorithmic errors?

**Cybersecurity Threats:** AI systems expand attack surfaces for hackers.

**Safety Oversights:** Overreliance on automation can let hazards slip through.

**Operational Complexity:** Integrating AI requires robust governance and staff training.



# Insurance Considerations

## AI is reshaping construction risk—and insurance needs to keep pace.

Traditional policies weren't built for algorithmic decisions, autonomous machinery, or digital dependencies. From covering design errors caused by AI to protecting against cyber outages and robotics failures, enhanced cover is essential.

Specialist endorsements like AI Risk clauses ensure you're protected against emerging liabilities and compliance gaps. In short: if AI is part of your project, your insurance strategy must evolve too.



### Traditional policies need enhancements to cover AI-driven risks.

#### Key areas include:

**Professional Indemnity (PI):** Cover algorithmic errors and AI-driven design liability.

**Contractors' All Risks (CAR):** Extend to autonomous machinery and robotics.

**Cyber Liability:** Include AI system outages and data corruption.

**Technology Errors & Omissions:** Protect against vendor or integrator failures.

**Business Interruption:** Add digital dependency clauses for AI disruptions.

**AI Risk Endorsement:** A bespoke solution covering algorithmic liability, cyber-physical risks, and compliance failures.



## How Vista Supports Businesses Like Yours

At Vista, we specialise in protecting innovation. Our tailored solutions ensure your projects stay on track - no matter how advanced your technology is.

### Next Steps:

-  Review your current policies for AI gaps
-  Speak to our specialists about AI Risk Endorsements
-  Future-proof your business against emerging exposures

### Ready to safeguard your AI-driven projects?



#### Mike Chambers

Head of Construction, Real Estate & Specialist Risks  
Email: [mike.c@vistainsurance.co.uk](mailto:mike.c@vistainsurance.co.uk)  
Phone: 0204 553 8002

Mike brings over 20 years of experience in risk management, working with businesses of every size – from ambitious start-ups to global organisations. At Vista, he leads our established divisions and champions growth across Real Assets and the Built Environment.

His focus? Developing our national Specialties Practices, strengthening propositions, and ensuring your investments, supply chain, and operations stay protected.

Mike has a proven track record in creating efficiency and shaping business strategy. For the past decade, he managed UK & Ireland Construction for both private and public sectors at a leading international broker. He's also chaired specialist working groups in construction, sharing insight and driving innovation and industry standards.

With Mike at the helm, we're building smarter solutions for complex risks.

**Book in a call with Mike today**

