

Building Better Outcomes

# CONSTRUCTION CLAIMS

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## *A Rosie Future?*

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NEW ISSUES IN ASSESSING FAULT ARE  
EXPECTED TO EMERGE

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# A Rosie Future?

## AS CONSTRUCTION ROBOTICS EVOLVE, NEW ISSUES IN ASSESSING FAULT ARE EXPECTED TO EMERGE.

BY ANDREW SMITH AND CYNTHIA ROUSE

Fifty-five years ago, the cartoon “The Jetsons” presented a space-age family complete with George, Jane, Judy, Elroy, a dog named Astro, and last, but not least, a robot-maid named Rosie. The family lived in Orbit City in the year 2062. Well, according to my Apple Watch, it is not yet 2062, but the robots are definitely already here. In fact, McKinsey & Company, a global consulting company, estimates that by 2025 more than half of the U.S. economy will be automated.

Construction is a \$10 trillion worldwide industry. It is also plagued by waste, worker shortages, and weak productivity growth. Since 1945, productivity in the manufacturing, retail and agriculture sectors has grown by 1,500%, while construction growth has remained stagnant. These factors create an excellent opportunity for technology, including drones, autonomous vehicles and—the focus of this article—robots, to help change the construction world. Indeed, the use of robots in construction has an anticipated market value estimated at \$127 billion, according to a PricewaterhouseCoopers 2016 report.

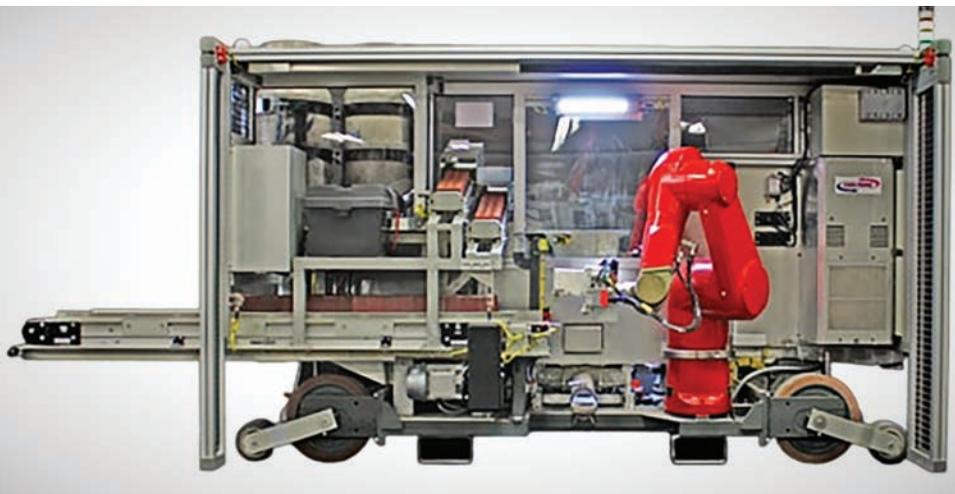
### A Few Examples

#### *A Brick-Laying Helper*

Construction Robotics, a New York-based engineering company, created “SAM,” which is short for Semi-Automated Mason. Comprised of a conveyor-belt, mortar pump and robotic arm, SAM is pretty nifty. One worker helps feed the bricks into the machine, which are then grabbed by the robotic arm, covered in mortar and placed on the wall. A second worker then follows and smooths over any excess joint mortar.

Photo credit: reumierd / Shutterstock.com





The SAM100 is a brick-laying robot, having already laid literally tons of bricks across the country on various industrial building and school projects. Under optimal conditions, SAM can lay up to 3,000 bricks per day, while a human can lay between 600 and 1,000. As just one example, while SAM was working on the Shenandoah University jobsite in Virginia, it set a world record for the most bricks laid in an eight-hour period, totaling 3,270!

According to Construction Robotics, SAM has improved a mason's productivity by three to five times and saved at least 50% in labor costs. SAM can work collaboratively with human workers, improve the ability to plan and quote jobs, and decrease injuries and safety concerns. For a cool \$500,000, a SAM100 can be all yours.

#### *A Robot Tractor*

Built Robotics is another example, having raised over \$15 million in startup funds. Started by an ex-Google engineer, this company is building self-driving tractors at its San Francisco headquarters.

The tractor uses LIDAR and GPS to get around, similar to self-driving cars. The robot can excavate holes for building foundations. For instance, it would take a crew of humans up to three days to finish a 30-by-40-foot excavation at a depth of two feet. Built Robotics claims its machine can finish this project in one day.

The company expects the products will be available for residential construction projects in 2018.

#### *3D-Printed Homes*

A Chinese company, Winsun, is using 3D-printing technology to actually build, or "print," homes and other structures. Using a special ink made of concrete, sand and fiberglass together with a proprietary hardening additive, the printer confects layer upon layer to print walls and other components at its factory for home and building construction. The machine is 20 feet tall, 33 feet wide and 132 feet long. A CAD drawing is then fed to the enormous 3D printer to fabricate each structure piece by piece using the "ink."

Winsun started building homes in 2015 and is now building apartment com-

plexes such as Suzhou Industrial Park in China's Jiangsu Province. Winsun is also responsible for the first 3D-printed office building, opened in Dubai in 2016.

#### **Will Robots "Doom" the Insurance Industry?**

A number of questions currently exist as to whether Tesla and the rest of the self-driving car industry will "doom" the personal lines automobile insurance industry. These same questions will begin to surface in the construction insurance sector as more contractors become automated and workplace accidents and claims decrease as a result. While there should be some improvement in human safety and potentially a drop in the number of laborers on contractor payrolls, the robots will still need human assistance. By way of example, the SAM100 still needs at least two human counterparts to build a brick wall.

Likewise, computers and robots will still make mistakes. As we have seen with autonomous vehicles, the "smart" machines will still get into accidents, even if the accidents are the fault of a human.

Many people are also familiar with the Florida Tesla fatality incident in 2016. Joshua Brown, an Ohio entrepreneur, was driving along a Florida highway in a Tesla Model S that had



been switched to autopilot mode. Unable to distinguish the white 18-wheeler making a turn against the brightly lit sky, the self-driving system failed to apply the brakes, resulting in Brown's death. At the time, he was watching a Harry Potter movie on the TV screen.

In a press release, Tesla said the incident was a tragic loss but noted that it was the first fatality in 130 million miles of autopilot driving. The company compared that to regular driving, which incurs one fatality per 94 million miles in the United States. Tesla also stressed that the self-driving feature is still in the beta-testing phase and is designed only to be semi-autonomous. Drivers are instructed to keep their hands on the steering wheel in case of a software hiccup.

### Liability and Accident Cost

The number of claims and incidents will certainly decrease as the use of robots continues to grow and technology improves. However, the potential cost of each claim could drastically increase due to the costs of the robots and machines to be used on jobsites. Just as a reminder of one small example, the SAM100 costs around \$500,000 per machine.

Additionally, new issues in assessing fault will be created. Difficulties will arise in pointing the finger and determining who to blame. Fault-shifting may come into play. For example, the Association of California Insurance Companies is advocating precisely this with autonomous vehicles. The group is asking "for changes clarifying that the autonomous vehicle's manufacturer retain all liability for damage, losses or injuries caused by the operation of these vehicles." The onus could soon be on the robotic product and software manufacturers to disprove liability in these complicated scenarios.

We certainly expect the broader concepts of automation and robotics to be regulated in a manner comparable to self-driving automobiles. However, there is no current legislation in place specifically regulating the use of robots in the construction industry.

### Possible Defendants

Think of all the potential defendants robotics litigation could entail. Insurers will need to consider evaluating the following:

- Owners could be sued for negligent operation or training/hiring of a pilot, operator, or driver. In addition, renters, lessors and anyone else borrowing the robot at issue may be implicated. These machines are expensive, and manufacturers are offering a variety of lease and rental options.
- Pilots, operators or drivers could be sued for their own negligence.
- Product, software and component manufacturers and installers will also need guard against suits for software malfunctions, design and manufacturing defects, inadequate warnings, breach of warranty, and failure to comply with to-be-determined safety standards.
- Operation training facilities may be subject to liability.
- Use of robots could be deemed an ultra-hazardous activity and subject to strict liability.

### Use in Claim Investigations

While construction robots are literally changing the landscape of construction, so too are they changing the landscape of claim investigation and documentation. Until recently, the primary tools utilized to investigate a claim were cameras, measuring equipment and recording devices. Although those tools were effective, they left gaps in the investigative process. It can certainly be difficult to reflect the actual depth, width or height of an area with a two-dimensional picture and a ruler. Sometimes, it is even more difficult to convey those images and measurements to other parties.

Thanks to robotics and automation, there are many additional options in the investigative tool box. There are drones that can assist in visually inspecting the exterior of buildings, large construction sites and roadway builds. Drones offer an entirely different perspective of a loss location, and this can

be useful when assessing everything from damages to liability.

In addition to drones, very detailed 3D imagery can be obtained through point cloud data. In seconds, millions of accurate measurements can be captured through the use of 3D laser scanners and converted into a virtual duplicate 3D image of all visible structural components, landscape components and mechanical components. As a result, these data can produce very detailed 3D image or 3D animation of accident sites or occurrences. If the data are obtained immediately after the accident, there is a preservation of the loss site through a 3D image. Such images can be utilized at a later date to recreate the loss in a way that no two-dimensional photograph can reflect. Instead of passing around dozens of photographs to depict an accident scene, a 3D image, model or animation will provide the viewer with a more accurate and detailed view of a loss site, accident scene or damages.

At best, witnesses' memories fade. At worst, those memories morph into entirely different fact interpretations. What better defense than tools that can take the viewer virtually to the loss site and allow the viewer to personally experience the landscape, structures and factors at play on the date of the loss?

### To Infinity and Beyond

The future is here! Robotics and automation in all forms of construction are starting to take form. The potential legal and insurance issues are endless and will be refined in time. How will courts and juries assess fault in robotics accidents? How will existing insurance policies handle robotics claims? Be sure to stay abreast of the changes in construction technology. ■

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