



The time is right...

Stephen Woodward, Managing Director of ResoLex Ltd, explains why.



Contracted Mediation, a new method of managing the risk of disputes during the delivery stage of projects, is set to have great benefits for the construction industry and could have significance for insurance.

Conflict resolution between the parties involved in any construction project has, until now, usually been dealt with in an unsatisfactory way. Traditionally, conflicts between parties have only been addressed when and where they arise. Now a new company called ResoLex has developed a new method of mediation, especially designed for the resolution of project-based disputes. Called Contracted Mediation, this new method is a combination of mediation and Dispute Review Boards, focused on avoiding disputes happening at all. The process is simple. At the outset of a project, the parties involved agree to resolve any differences by referring to a Contracted Mediation Panel consisting of two specialists (one legal, one commercial and both with

mediation expertise) who have access to the contract documents and the parties involved throughout the project.

Unlike adjudication, arbitration or litigation, mediation works to protect relationships between parties, rather than simply finding a solution to a problem, regardless of the damage that could be done to that relationship. Instead of judgments being made and imposed, open communication and discussion between the parties is encouraged, so neither feels damaged by the process. As a voluntary process, it also leaves them in control. The existence of a Contracted Mediation Panel provides incentives for business associates to settle any differences early, therefore protecting and nurturing business relationships that are key to a project being completed efficiently and on time.

What are the benefits relative to insurance? Anything that leads to less confrontation and greater efficiency in the construction process must surely also lead to better quality buildings, an improvement in health and safety and less accidental damage. There

are, therefore, implications for a range of liability and material damage covers and even business interruption claims. In fact a combination of wide ranging latent defects covers, when available, and contracted mediation might be just what is needed to resolve the problems that plague parts of the construction industry and lead to unfavourable comparisons with other European countries.

Contracted Mediation might be an extra cost, but it is one shared between the parties involved, and is itself an insurance and saving against potential costs, delays and time wasted through arguments.

At the launch reception Chris Booy OBE, executive chairman of Symonds said, "ResoLex represents the positive side of a project relationship, where funders, clients, contractors and suppliers have instant recourse to practical, independent advice before differences become disputes. I am confident this form of mediation will quickly become a vital component of property funding agreements."

What more can we say! Why not find out more?