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Insurance, Safety And Risk Management In The Construction Industry

THE 2025 ITZICK SIMON INSURANCE AGENCY ANNUAL CONFERENCE

*Attended by 600 people including senior personnel
from the insurance and construction industries*



- Main conference themes: The construction insurance market failure subrogation claims • National Insurance Institute
- Improving safety standards at construction sites • The risks of damage by missiles and earthquakes • Certificate of Recognition Awards presented to three individuals for outstanding initiative, dedication and contribution to improvements in the insurance and construction industries.

**THE ITZICK SIMON ANNUAL CONFERENCE ON INSURANCE,
SAFETY AND RISK MANAGEMENT IN THE CONSTRUCTION INDUSTRY**

Itzick Simon: The Human Factor Is The Weak Link In The Chain

The Itzick Simon Annual Conference on Insurance, Safety and Risk Management in the Construction Industry took place on Monday 15th September 2025 in Tel Aviv and was attended by senior personnel from the insurance and construction industries, including Shlomo Aizic – President of the Association of Insurance Brokers and Agents in Israel, Roni Brick – President of the Association of Contractors and Builders in Israel, Yigal Slovik – CEO of the Association of Contractors and Builders in Israel, Sigal Schlimoff – Representative of Lloyd's in Israel, Adv. Michal Raphaeli Guri – Senior Deputy General Counsel, Head of the Economics Division at the National Insurance Institute, MK Dan Iluz, and 600 professionals from the insurance and construction industries

"The human factor is the weak link in the chain and it's in need of substantial improvement, so that's why I conceived the idea of the "Diploma in Masonry", a multi-year plan to establish a construction workers college", said Itzick Simon at the annual construction insurance, safety and risk management conference arranged by his insurance agency. Simon added: "The idea is that the program will give construction workers the opportunity to obtain a Diploma in Masonry and a license to work in the areas in which they have

specialised and gained experience. We need to offer a multidisciplinary educational framework, tailored to different types of workers, available in different languages and utilizing visual tools, to enable anyone entering the Israeli construction industry to understand and comply with industry standards".

The conference took place earlier this week in Tel Aviv and was attended by senior insurance and construction professionals, as well as a large audience of 600 participants.

Simon points out that the construction insurance sector in Israel suffers from a market failure arising from a combination of factors: "Very few insurers willing to write Contractors All Risks insurance, a lack of competition, skyrocketing premiums, reinsurers imposing onerous conditions, frequent and severe accidents, and regulation that is detached from reality. One of the main factors contributing to the crisis is the issue of subrogation claims by the National Insurance Institute. The National Insurance Institute sues the insurance companies to recover huge amounts of money they pay in benefits, thereby creating a severe actuarial imbalance. In many European countries, a more equitable mechanism is in place to distribute liability. We should learn from these models and adapt them to the local conditions in Israel".

Simon turns to the insurance companies and says they cannot improve the situation merely by increasing premiums and deductibles. "They need to take an active role in solving the crisis by investing in technology, vocational training and working in closer cooperation with the construction industry because everything is interconnected: safety standards, the extent of claims and the stability of the insurance market".

Aizic: There's no real competition in the Israeli insurance market

Shlomo Aizic, President of the Association of Insurance Brokers and Agents in Israel, notes that there are 1.8 insurance companies per million people in Israel, compared to an average of 14 per million in Europe. "This explains the situation we are experiencing – there is no genuine competition in the Israeli insurance market. It's a captive market with an insufficient supply of products. Insurance agents specialising in construction insurance face frequent



Itzick Simon

declinatures from the insurance companies, sky high premiums, not to mention the big problem with liability insurance. Furthermore, no foreign insurer fully understands the issue of subrogation by the National Insurance Institute, which hinders all actuarial calculations".

"Since I took up the position as chairman of the association, we have been in discussion with the Ministry of Economy and Industry and MK Dan Iluz with a view to opening up the Israeli market to foreign insurers. However, due to the very onerous admission criteria, we suggested that licensed insurance agents should be permitted to arrange policies with foreign insurers for their Israeli clients. The construction and infrastructure industry is the growth engine of the State of Israel, it directly impacts all other sectors, and if it becomes stagnant, the national GDP will be negatively affected".

Brick: Contractors are finding it impossible to insure their projects

Roni Brick, President of the Association of Contractors and Builders in Israel, painted a very bleak picture. Since the events of 7th October 2023, the real estate, housing, and infrastructure markets are experiencing an unprecedented crisis due to a major shortage of workers, accompanied by a sharp increase in costs compared to the pre-war period. According to Brick: "The prices of raw materials have increased, the cost of land continues to rise, and we are being expected to reduce apartment prices! Nearly all construction projects in Israel are taking longer than expected to complete, and the impact on the economy is significant".

Brick also addresses the insurance crisis and points out that the contractors and developers are having to cope with a double risk – "Firstly safety – the risk of working on high-rise construction projects with scaffolding, where the smallest of faults can result in the tragic loss of human life, massive liability claims, and criminal charges. The second risk is related to insurance – the insurance market is collapsing before our eyes, and contractors are struggling to insure their projects because nobody is willing to insure them. There are only a handful of insurance companies that write Contractors All Risks insurance, and there's no competition between the insurance companies for projects involving reinforcement and preservation of existing buildings. Contractors in Tel Aviv for example are undertaking building preservation works uninsured purely because they



can't find a single company willing to insure them. In the best case, they have to agree to an excess of half a million shekels and premiums that have increased by 300-400%. The insurance that once served as a safety net for contractors has evaporated.

"We feel that the insurance market is turning its back on us. We're not asking for discounts, exotic cover or a zero excess policy, but we are asking to open up the market to genuine competition, including by bringing foreign insurers into the market".

During the conference, four panel discussions were held. The first panel discussed the idea of opening up the insurance market to foreign insurers. The second panel addressed the issue of subrogation claims by the National Insurance Institute. The third panel focused extensively on the issue of construction safety. The fourth panel

discussion, moderated by Dr. Benny Brosh, a university lecturer and expert in construction defects, discussed earthquake and missile attack risks.

Prof. Yaron Zelekha gave a lecture entitled "How to do the impossible in Israel," focusing on faults and shortcomings in the way infrastructure projects are managed in Israel and outlined potential solutions to improve the situation. Yaron Peled, the CEO and owner of InsurAI, gave a lecture on the subject of AI in the insurance and construction industries. Towards the end of the conference, journalist and news broadcaster Amalya Duek held an interview with Eli Sharabi, who recently published his personal account of his abduction to Gaza during the events of October 7, 2023, his survival in captivity and discovering that his wife and children were no longer alive after returning to Israel.



MK Dan Iluz



Roni Brick

THE ITZICK SIMON ANNUAL CONFERENCE ON INSURANCE,
SAFETY AND RISK MANAGEMENT IN THE CONSTRUCTION INDUSTRY – INCREASING COMPETITION

Will Opening Up The Market To Foreign Insurers Help To Resolve The Market Failure In The Construction Insurance Sector?

- This question was the focus of a panel discussion about the possibility of opening the market to foreign insurers and permitting them to accept direct business from the Israeli market. The panellists included Adv. Sigal Schlimoff who is an expert in regulatory and insurance law and the representative of Lloyd's of London in Israel; Shlomo Aizic, President of the Association of Insurance Brokers and Agents in Israel; Yigal Slovik, CEO of the Association of Contractors and Builders in Israel; and Adv. John Geva • After the panel discussion, MK Dan Iluz presented details of a legislative bill he has formulated together with the Association of Insurance Brokers and Agents in Israel to permit foreign insurers to write direct insurance business in Israel



Market failure discussion panel. From right: Adv. John Geva, Yigal Slovik, Adv. Sigal Schlimoff, Shlomo Aizic

The central panel discussion at the Itzick Simon Annual Conference on Insurance, Safety and Risk Management in the Construction Industry addressed the possibility of opening the market to foreign insurance companies. The panellists were Adv. Sigal Schlimoff, an expert in regulatory and insurance law and the representative of Lloyd's of London in Israel; Shlomo Aizic, President of the Association of Insurance Brokers and Agents in Israel; Yigal Slovik, CEO of the Association of Contractors and Builders in Israel; and Adv. John Geva.

The panel was moderated by Amalya Duek.

Sigal Schlimoff addressed the possibility of opening the market to foreign insurers and pointed out that Lloyd's is already operating in the market via various coverholders who are authorised to write business on behalf of certain Lloyd's underwriters. According to Schlimoff, foreign insurers are permitted to write business in Israel, provided they are approved by the Commissioner of Insurance in a process designed to protect the public

interest. "We're solving a problem that doesn't exist and we'll only create new problems for contractors who will take out policies with foreign insurers who won't pay claims. Let's ask ourselves why local insurance companies don't want to write business in this sector. It's probably because there's a problem that makes this branch unprofitable. The same thing will happen even if we bring in 700 foreign insurers. Let's identify the underlying problems with Contractors All Risks insurance in Israel.

"The liability sections of Contractors



All Risks policies are particularly unprofitable, and the question is, why do these covers produce such huge losses in Israel? We know it's because of National Insurance Institute subrogation claims. The payments for these claims basically eliminate this class of business, and IBNRs need to be held for very long periods of time, with the knowledge that future payments are inevitable. In a sense, it's no longer insurance for unforeseen losses".

John Geva suggested another reason why foreign insurers are deterred from writing business in Israel: "With all good intentions, considering our precarious position on the world stage at present, it would be naive to imagine that foreign insurance companies will enter the Israeli market at this point in time and start to offer innovative products that haven't been seen until now in the Israeli market".

Geva pointed out that another matter that deters foreign insurers from the Israeli market is a Supreme Court landmark ruling that war in Israel is not classified as *force majeure*. Geva continues: "War in Israel is foreseeable, and so it's not possible to cancel contracts. I want to see a foreign insurance company willingly enter such a complex situation".

Yigal Slovik: "When we approached

European insurance companies before 7th October 2023, they were willing to talk to us, but all of that ended abruptly immediately thereafter. I doubt whether they would be able to provide insurance cover for infrastructure, construction, building preservation, and urban renewal projects in Israel at realistic and viable premiums".

Slovik continued: "We need to get to the root of the problem, otherwise it won't be economically viable for them and they won't bother. There are advantages to introducing new players into the market from other territories where there are different construction methods and safety standards, and the synergy between foreign insurance companies and Israeli building contractors could actually improve the industry".

Aizic: "I think that it's an essential move. We're part of a global economy, and we need to look beyond the local market. Opening up the market is the way forward for the future. Our problem in Israel is not a lack of demand but a shortage of supply. We're suffering from a severe shortage of insurance capacity in the local market. The entry of foreign insurers would be a very welcome step. Increased competition would be a growth engine for the whole market". Following the panel discussion, MK Dan

Iluz (Likud) elaborated on his legislative bill to open the market to foreign insurers, a plan he has formulated in collaboration with the Association of Insurance Brokers and Agents in Israel.

Iluz: If the bill passes in the Knesset, insurance agents in Israel and direct clients will be able to arrange insurance with either local insurers or overseas insurers. There's no reason why major international insurance companies can't operate in Israel like they do anywhere else in the world. You're welcome to be part of the process. The Association of Insurance Brokers and Agents in Israel is of course already part of the process, and anyone with additional suggestions to ensure the proposed law serves its purpose is welcome to contact us. I hope we'll find a way to strike the important balance between protecting consumers and policyholders whilst encouraging competition and free market conditions. I was surprised by the lack of opposition by the local insurance companies. They understand that as long as the competition is fair, they have no reason to complain. We want insurance agents to have access to hundreds of different products to offer their clients. At the end of the day, there will be an abundance of much cheaper products in the market, tailored to the needs of the consumer".

"It May Be Possible To Reach An Agreed Subrogation Mechanism Between The Insurance Companies And The National Insurance Institute, Similar To The Compensation For Victims Of Road Accidents Act"

- These remarks come from Adv. Michal Raphaeli Guri, Senior Deputy General Counsel, Head of the Economics Division at the National Insurance Institute who attended the Itzick Simon Annual Conference on Insurance, Safety and Risk Management in the Construction Industry
- Later on there was a panel discussion with Raphaeli Guri, Yigal Slovik – CEO of the Association of Contractors and Builders in Israel, Dorit Har Lev – Senior Deputy CEO and Head of the Engineering Department at Harel, Adv. Shlomi Hadar and insurance consultant Yossi Zagdanski



Subrogation claims discussion panel. From right: Amalya Duek, Adv. Shlomi Hadar, Yossi Zagdanski, Yigal Slovik, Michal Raphaeli-Guri, Dorit Har-Lev

Michal Raphaeli Guri, Senior Deputy General Counsel, Head of the Economics Division at the National Insurance Institute, who participated in the Itzick Simon Annual Conference on Insurance, Safety and Risk Management in the Construction Industry, said that it may well be possible to reach an agreed subrogation mechanism between the insurance companies and the National Insurance Institute, similar to the Compensation for Victims of Road Accidents Act. "We could certainly consider an

agreed mechanism similar to the one in place for road accidents. A legislative arrangement regulates the issue of subrogation claims for motor bodily injuries and the National Insurance Institute does not make individual claims in these cases. The problem is that in the past we didn't keep specific data for accidents at construction sites. We have now started doing this, and so we'll be able to calculate the overall amounts involved. This might well contribute to finding a solution to the problem".

Raphaeli Guri also emphasised the importance of ongoing cooperation between the insurance companies and the National Insurance Institute: "At present, subrogation claims are usually made long after the accident, in many cases up to four years after the event and after the victim's claim with the insurance company has already been settled. This situation creates uncertainty for all sides". The solution she proposes is transparency and reporting: "The insurance companies should report accidents at construction



Michal Raphaeli Guri

sites immediately. In this way, we could be involved from the outset and possibly even file a subrogation claim against the insurance company together with the victim, thereby creating certainty and streamlining the process. Currently, the situation is that the victim's claim has been settled, and we appear four years later. We should receive a report of all workers, so we can identify employers and third parties. Currently, we sue employers because we lack accurate records. There is also a phenomenon of excluding subrogation claims under Contractors All Risks policies, and it's important to ensure that such an

exclusion does not appear in these policies, because, at the end of the day, such an exclusion will be legally unenforceable. Similarly, the lower the number of accidents, the lower the number of subrogation claims".

If the sector was profitable, the insurance companies wouldn't be withdrawing from writing Contractors All Risks business

After Raphaeli Guri spoke, a panel discussion ensued between representatives of the National Insurance Institute, insurance companies and contractors: Adv. Michal Raphaeli Guri, Yigal

Slovik – CEO of the Association of Contractors and Builders in Israel, Dorit Har Lev – Senior Deputy CEO and Head of the Engineering Department at Harel, Adv. Shlomi Hadar and insurance consultant Yossi Zagdanski.

Raphaeli Guri: "The distortion in the market is that the contractor pays the premium for the Contractors All Risks policy, but the insurance company doesn't fully compensate the victim and deducts and retains part of it. The distortion is not with the contractor or the National Insurance Institute, but with the insurance companies", says Raphaeli Guri, alluding that the insurance companies have profited for years from the fact that the National Insurance Institute didn't bother making subrogation claims in the past, and now that it is demanding its share, the insurers are losing money that they didn't factor-in to the insurance premiums.

Adv. Hadar: "In tort law, damage is caused to the insured or the victim, and the victim doesn't receive more than the actual damage sustained. Elsewhere in the world, the insurance company pays the entire claim. The distortion is that insurance companies have profited for years because the National Insurance Institute has not bothered to recover public money and they paid less than they should have. We see this in claims that pass the statute of limitations. The National Insurance Institute doesn't pay the claim, and the insurance company still deducts conceptual amounts from the damages paid to the victim". Hadar argues that insurance companies have become accustomed to a situation in which the National Insurance Institute hasn't been making recoveries for years, and now they need to come to terms with a new reality. He also points out that the extent of these subrogation claims shows how the issue of safety is the root of the problem.

Dorit Har Lev, Senior Deputy CEO and Head of the Engineering Department at Harel, addressed the current situation from an insurer's >>>

"It May Be Possible To Reach An Agreed Subrogation Mechanism Between The Insurance Companies And The National Insurance Institute, Similar To The Compensation For Victims Of Road Accidents Act"

»»» perspective: "If Contractors All Risks insurance was profitable, then the insurance companies wouldn't be withdrawing, but the fact is that only two or three companies are still writing this business. If it weren't generating such huge losses, we wouldn't be in the situation we're in today. In the past, the claims were lower and now they are very high. We had a recent case involving a contractor whose policy was up for renewal. After reviewing his claims experience, which included several accidents involving fatalities at construction sites, he reluctantly agreed to renew the policy with a deductible of one million shekels. Projects in Israel often start up well but don't finish on time. On an overseas trip, I saw a building with scaffolding that was so safe and secure I couldn't believe my eyes. We all need to make a joint effort to improve safety standards in Israel. I'm in favour of the idea of opening a college of construction, although there's a language barrier: I visit construction sites regularly and I see that there's a major problem with communication and language barriers, and so I'm not sure how valuable such a college could be when workers come from different foreign countries".

Hadar: "We hear this a lot from the insurance companies, but the truth is that in other places in the world, insurance companies don't suffer such huge losses. If an insurance company believes it's losing money, then safety and risk management needs to play a greater role. There should also be formal arrangements in place between the insurance companies and the National Insurance Institute such as a reporting mechanism, agreements on deductions or an arbitration bureau between the insurance companies and the National Insurance Institute to streamline

procedures".

Yigal Slovik, CEO of the Association of Contractors and Builders in Israel, warns of the widespread ramifications of the subrogation crisis. He holds that it's unfair for contractors to bear the cost of claims themselves – "At the end of the day, the developer and the contractor pass on most of the cost to the purchaser", in other words, the wider public pays the price. Slovik also makes a connection between the construction insurance crisis and the housing crisis: "We're on the brink of an insurance crisis and a housing crisis at the same time" he points out, adding that spiralling insurance premiums and increasing construction costs due to uninsurable risks may have a negative impact on the construction industry and lead to a decline in building starts. Preventing accidents is no less critical in his opinion: "There are around 30 deaths a year at construction sites in Israel. That is a lot", he admits, and goes on to say "But the bottom line is that safety standards at construction sites are good" – A surprising remark that might be explained by the fact that the scope of construction has increased substantially and so the number of casualties should be measures proportionately. Nonetheless, the industry is slowly but surely taking steps to improve the situation which is still far from perfect. Slovik points out that by 2050, the population of Israel is expected to double to around 20 million, and the construction industry will need to adapt to a significant population expansion. For this to happen, regulation, finance and insurance will need to be less onerous for developers and contractors alike. "The only way to create economic viability and a supportive work environment is system-wide cooperation to find

efficient and balanced solutions".

His remarks sum-up the essence of the panel discussion: Cooperation between the government, the National Insurance Institute, the insurance companies, and the contractors is crucial to reach a comprehensive arrangement that will restore stability to the construction insurance market. Insurance consultant Yossi Zagdanski added, "Subrogation claims are a major problem. The Association of Contractors and Builders in Israel introduced the Safety Stars method in the hope of improving the quality of contractors, and there's no doubt that this will reduce the frequency and severity of claims over time. The main reason for the market failure is the limited capacity in the insurance market. If the insurance companies have increased premiums by 300-400% and deductibles by 500-1000%, does it mean that their losses reached 300-400%? Does anyone here really believe that a single class of insurance is so unprofitable? There are only a handful of insurance companies currently writing this business. If the National Insurance Institute decides to forego subrogation claims tomorrow, will the insurance companies reduce premiums? No. A mechanism similar to the Compensation for Victims of Road Accidents Act should be established with the National Insurance Institute for accidents at construction sites. One of the problems with Contractors All Risks policies is the definition of the employer. Theoretically, if the owner comes along and says I'm setting up a special-purpose company for the project, listing myself as the employer and everyone working at the site is an employee of my company – then the National Insurance Institute will automatically be precluded from making subrogation claims against the employer".

THE ITZICK SIMON ANNUAL CONFERENCE ON INSURANCE,
SAFETY AND RISK MANAGEMENT IN THE CONSTRUCTION INDUSTRY – PRESENTATION

Remember, In Order To Change: The Surprising Presentation That Left A Packed Hall Speechless

The presentation was not intended to provide just another statistic or technical fact, but rather to connect between what insurance professionals know, and what they feel. Moments like this clearly illustrate that the issue of construction site safety is not just a technical matter, but one that determines the fate of real people and entire families

Between lectures about the insurance industry, panel discussions on regulation, and debates about subrogation claims in the construction industry, there was one moment at the annual construction insurance, safety, and risk management conference that left a hall packed with 600 people speechless: Display of a memorial plaque in memory of Dr. Majdi Salem, led by Lyr Nisany, media spokesperson for Itzick Simon Insurance Agency.

Salem, a 25-year-old recently qualified doctor of medicine was killed in 2016 in a work accident at a construction site where he was working to pay for his graduation party. His tragic death occurred in the Hof Hacarmel Joint School, where a sports hall was under construction. The students of the school found a way to turn the personal tragedy into an educational symbol and a call for change.

The commemorative plaque was displayed suddenly in a darkened hall, eliciting a profoundly emotional response from the crowd. It wasn't intended to provide just another statistic or technical fact, but rather to connect what insurance professionals know and what they feel. Moments like this clearly illustrate that the issue of construction site safety is not merely a technical matter, but one that determines the fate of human beings and entire families.

The presentation was unique and special in that it touched the hearts of each and every person in the hall – contractors, developers, insurance professionals, engineers, loss adjusters, and regulators – and create an emotional bond between them. For many of them, it was the highlight of the day and proof that in order to make a genuine change in the industry, it's not just a



Lyr Nisany
question of professional knowledge and regulatory tools, but also a deep sense of human responsibility.

Later, a special panel discussion took place with Eldad Porat, the school's headmaster, Hila Raz, a teacher,

high school students, and Adwiya Salamm, Majdi's mother. They explained how the tragedy gave way to a unique educational program – the first of its kind in Israel – that reminds students every year of the importance of construction site safety and the values of respect and equality.

Adwiya Salam said emotionally: "When I see these children learning about Majdi, I know that he continues to be part of us and has an influence on the world in which we live". One of the students added, "This happened at our school, and the responsibility to make a change is in our hands."

The entire presentation illustrated to the conference participants that knowledge of a personal tragedy can lead to a heightened sense of responsibility. It transformed Majdi's memory into a practical call for change to Israel's safety culture and it demonstrated how memories can become powerful educational tools. In a conference that involved discussions about markets, insurance policies, reinsurers, and technological innovation, this exhibit took the conference to a profoundly human level. It reminded everyone that the discussions about insurance and risk management are not just about money, contracts, and law, but about the people we need to safeguard.



“The Ministry Of Labour Has Had Enough: We’ve Extended Safety Regulations And Expanded The Chain Of Responsibility. We’re Aiming For Zero Accidents”

• Remarks by Hezi Schwartzmann – Head of the Safety Administration, Labour and Welfare Ministries • Schwartzmann participated in a wide panel discussion on the subject of safety together with Matti Ravivi – Head of the Safety Division, Association of Contractors and Builders in Israel, Adv. Eldan Danino – Expert in construction and infrastructure project safety and work accidents, and Tal Keidar – CEO, Keidar Buildings



Panel, from right: Amalya Duek, Tal Keidar, Matti Ravivi, Hezi Schwartzmann, Adv. Eldan Danino.

The issue of construction site safety was a common thread of the entire conference, and a special session was dedicated entirely to this topic. As Itzick Simon said at the conference's opening, the human factor is the weak link in the chain in the construction industry, and inadequate safety standards exact a heavy toll in terms of deaths, injuries, and property damage year after year. In the last decade, there has been an average of 30 deaths every year due to work accidents at construction sites in Israel – a shocking figure compared to other OECD countries.

All of the speakers at the conference agreed that the current situation is completely unacceptable and that investing in safety is not only a moral duty but also a commercial necessity: Improving safety will minimise accidents, save human lives, mitigate insurance claims and disputes, and eventually contribute to reducing insurance premiums. “The safety culture at construction sites is not good: we’re seeing 30 deaths a year, and that’s 30 too many. The Ministry of Labour is at wits end with this situation; we want zero deaths, and it’s possible.

The government will do whatever it takes to eradicate this affliction,” said Hezi Schwartzmann, Head of the Safety Administration, Labour and Welfare Ministries, during the Itzick Simon Annual Conference on Insurance, Safety and Risk Management in the Construction Industry.

Schwartzmann added that the Ministry of Labour and the Ministry of Welfare employ, between them, only 70 inspectors to cover 125,000 “known” construction sites – in addition to construction sites that are only discovered after an accident

occurs. The Labour Committee has therefore passed regulations extending the responsibility of senior personnel at construction sites in the hope of improving safety in the construction industry as follows:

1. The contractor, developer, and foreman are responsible for construction site safety. The developer is responsible for appointing a safety inspector who is a qualified engineer or a practical engineer. Furthermore, the project manager assumes the role of an on-site foreman, responsible for reporting on-site safety information to their superiors.

2. In the event of a safety-related event, the safety officer is required to halt work and report to the Ministry of Labour inspectors.

3. Every site must have a safety plan in place. To date, only sites with more than 50 workers were bound by this regulation.

4. Foremen are required to undergo refresher courses twice every five years, and anyone who fails to do so will be required to take a professional exam. If the foreman has not worked in the last five years, they will need to undergo a test to ascertain whether they possess the requisite knowledge about safety.

5. Every foreman is required to provide notice of the start and completion of work at the construction site. State and local authorities are often unaware of certain accidents at construction sites.

6. Scaffolding – There has to be an Israeli standard in place for scaffolding, signed by an engineer.

Worker must have personal responsibility

Following the lecture by Hezi Schwartzmann, an extensive panel discussion took place to address the issue of security and the question of whether extending the chain of responsibility at construction sites is a viable solution. The panel was comprised of Hezi Schwartzmann, Head of the Safety Administration, Labour and Welfare Ministries, Matti Ravivi – Head of the Safety Division, Association of Contractors and Builders in Israel, Adv. Eldan Danino – Expert in construction and infrastructure project safety and work accidents, and Tal Keidar – CEO, Keidar Buildings.

Schwartzmann: "The most effective deterrents in place are the sanctions

we impose, and the stop-orders we issue are made public. A contractor who accumulates a certain number of stop-orders is referred to the Registrar of Contractors in the Ministry of Construction and Housing, and the contractor appears before a public committee



of the Ministry of Construction and Housing, which has the authority to suspend the contractor's license".

Ravivi: "If there's a perception that there is a division of responsibility, then we've achieved nothing. We will therefore insist that everyone involved has a clear understanding of their own area of responsibility. Furthermore, it's the first time a foreman has been classified as an internal inspector in an external supervisory unit, and he serves as a supervisor on behalf of the building contractor. This is a significant and far-reaching change. The regulations are the minimum that must be done, not the maximum that can be done. It would be beneficial to foster a dialogue with workers and offer incentives for positive behaviour rather than penalties for infractions. The plans based on the regulations need to be extended to the personal level".

Keidar: "When I started out as a building contractor, I worked with developers and noticed that they took little interest in safety and were primarily concerned with completing the project. They now have more responsibility, and this is a welcome step. On the other

hand, they have extended their responsibility but forgotten to reduce the responsibility of subcontractors. Similarly, the Safety Stars scheme of the Association of Contractors has had a significant impact. Companies that invest in safety need to be given greater incentives and rewards – for example, even if untoward incidents occur, consideration should be given to the overall circumstances.

There is a dire shortage of site foremen because the job is not very well-paid, and now there is also a need for a safety officer".

Danino: Until each and every worker is responsible and potentially liable, regardless of their role, we will not overcome the final hurdle. The worker needs to bear personal responsibility. Nowadays, even if the inspector brings evidence that the worker acted negligently, the case is referred to the Ministry of Labour or the prosecution, and that's where the buck stops. While there is the principle of contributory negligence in tort law, in criminal law, there is no such thing. The police don't check where the worker was negligent.

There is a major shortage of foremen. There are qualified foremen around, but they are worried about the issue of criminal liability. Perhaps now that there is a division of responsibility, it will encourage them to come back. The new regulations are open to interpretation by the prosecution and the State Attorney. Eventually, serious cases involving death or severe injury need to be reviewed by judges who know how to interpret the regulations. I suggested that a specialist construction judge be appointed; otherwise, there will be no major change from a legal perspective.

The overall message from the conference is clear: Improving safety is the key to the wellbeing of the industry. Many here argue that a combined "carrot and stick" approach is needed here – increasing supervision and penalties for violators of safety procedures, and giving incentives to companies that show an excellent safety record (such as discounted insurance premiums or some other form of recognition). In this way, the experts say, it will be possible to change the organisational culture in the construction industry in a way that the issue of safety becomes a supreme value and is not neglected on site, regardless of budgetary constraints and timelines.

The Best Response To The Risk Of Missiles And Earthquakes Is Prevention: Building Reinforcement And Urban Renewal

These remarks were made by the chairman of the interministerial committee for earthquake preparedness, Amir Yahav, in a panel that discussed the earthquake preparedness in Israel



From right: Benny Brosh, Amir Yahav, Hilik Sofer, Yaron Zelekha, Shmuel Zaken.

A separate session at the conference was dedicated to managing catastrophe risks – firstly, missile attacks on the home front, and then a major earthquake. The session was moderated by Dr. Benny Brosh, an expert in structural engineering and building defects. The discussion centred on the preparedness of the State of Israel and the insurance industry for such catastrophic scenarios, which have the potential to cause damage to thousands of buildings and construction projects nationwide in a single event.

Regarding earthquakes, the speakers reiterated that Israel sits on the Syria-Africa Rift and that a major earthquake is just a question of time. Representatives of the contractors and engineers mentioned efforts being made to reinforce existing buildings (National Outline Plan 38 and urban renewal

projects), although they admitted that the pace of construction is far from satisfactory, especially in provincial cities which are in the highest-exposed areas.

In a discussion on the question of war risks with specific reference to missile attacks, they referred to the events of 7th October, which illustrated the exposure of civilian population centres to rocket and missile attacks. In the construction industry, these scenarios present unique challenges, including direct damage to active construction sites, which can result in injuries to workers and equipment, as well as the potential to for substantial losses and project shutdowns. On the other hand, commercial and industrial policies for completed projects exclude war and terrorism exclusion as standard (i.e., most insurance policies do not cover war risks), thereby leaving

contractors and developers almost completely uninsured in such cases. Insurance experts at the conference mentioned the government's terrorism insurance compensation scheme ("Property Tax Fund"), which has compensated property owners for missile attacks in the past. However, they admitted that it is a limited mechanism that does not cover damages arising from delays in completing projects or loss of profits for contractors. Cooperation between the public and private sectors was proposed as a possible solution – for example, extending policy coverage with government subsidies for catastrophic events, or establishing a designated fund to compensate contractors for indirect damage in the event of an emergency. The main point was that a major earthquake and a widespread missile attack could

shake the very foundations of the industry in one fell swoop, and therefore long-term preparedness and clearly defined compensation mechanisms are a common interest of the government, insurance companies, and contractors.

Dr. Benny Brosh, an expert in building defects and university lecturer, opened the conference session to address earthquake and missile attack risks. Brosh gave an overview of the threats and hazards that Israel faces and highlighted the need for buildings to protect human life in the event of a rocket attack or earthquake.

The panel, mediated by Dr. Brosh, then discussed the government's preparedness for earthquakes and missile attacks. The panel was comprised of Amir Yahav – chairman of the interministerial committee for earthquake preparedness, Shay Dafnes – I.D.F. Reserve Duty Home Front Spokesman and property developer, Brigadier General (Reserve Duty) Dr. Hilik Sofer – Officer of National Public Diplomacy in the Home Front Command of the I.D.F. and CEO of C. Defence, Lieutenant Colonel (Reserve Duty) Dr. Avi Bizur – Head of Home Front Protection and Security Faculty, Beit Berel Academic College, Prof. Yaron Zelekha – Chairman of the New Economics Party and the former Comptroller General in the Ministry of Finance and CPA Shmuel Zaken – Manager of the Property Insurance Department, Ministry of Finance, Capital Market, Insurance and Savings Authority.

Yahav: "In the case of an earthquake in Israel, we're looking at a mega-catastrophe somewhere between 7.5-8 on the Richter scale. To differentiate from the risk of missile attacks, for which military defences are in place, a major earthquake has the potential to cause colossal and unprecedented damage, the likes of which we have not seen, and we are not adequately prepared. The government, albeit investing to a certain extent in preparedness, believes the best solution is prevention – reinforcing buildings and implementing urban renewal. There are numerous plans in the pipeline, but the government tends to put them on the back burner. In the case of an earthquake, the buildings at the highest risk are the older buildings".

Bizur: "The government prepared

a list of threats which it decided need to be addressed: Hazardous materials, cyber risks, earthquakes, missiles, rockets, fires, and pandemics. We know that there is a major earthquake along the Syria-Africa Rift every 87 years on average, and the last one occurred 85 years ago".

Zelekha: "The country has extensive economic resources available, but the problem is that they are not channelled in the right direction, and so if there is a mega-catastrophe, we are at risk of finding ourselves with a health system on the brink of collapse. As we saw in the period after 7th October, the nationwide civilian response to an emergency is remarkable, although the government bodies which are meant to operate a response mechanism in the case of a mega-event are often clueless".

Zaken: "The insurance companies have reinsurance treaties in place to cover catastrophe events, earthquakes in the main. In the event of a catastrophe in Israel, the insurance companies will be able to pay out; they have reinsurance arrangements that ensure liquidity and the possibility of making rapid claim payments. We conduct drills for catastrophic events in collaboration with government-supervised entities and develop contingency plans. We have developed a reporting mechanism that tracks the transfer of money from one entity to another. Everything is planned in advance and drilled with the relevant entities".

Sofer: "I'm not an insurance expert, but I know that the government does not compensate the public for earthquake damage to their homes, to differentiate from missile attacks. The insurance companies provide coverage on a commercial basis, and, to my understanding, most of the country is uninsured. Those who arrange insurance usually own apartments in new buildings, which are at a lower risk of damage. Many old buildings are at risk of collapse even without an earthquake. What will happen to someone in a provincial area such as Beit She'an whose home is insured? How much money will they receive if the value of the property is NIS 2,000,000 if the value of the land is not insured? Let's say 50% of the owners have building insurance; they will be compensated for damage to their homes, but what happens to the



Benny Brosh

value of the land and the common areas? At the end of the day, there will be chaos, numerous deaths and injuries, and thousands left homeless. How will the government and the insurance companies manage to pay compensation in a situation where the national health system is put back 40 years?".

Brosh: "One of the ways to mitigate the event is to build stronger buildings. The cost of the frame is a fraction of the overall costs".

Zelekha: "Prevention is the best thing, but the government has a tendency to neglect anything of a long-term preventative nature. Take a look at the budgets allocated to increasing awareness of healthy eating, or for sterilising hospitals to prevent the spread of resistant bacteria and diseases. The budgetary division of the Ministry of Finance manages the government's financial statements on a cash basis, rather than the accrual method, and therefore does not distinguish between long-term investments and current expenditure".

To sum up the session, the panel agreed that even though the risk of a major earthquake is viewed as a remote scenario on a day-to-day basis, the coronavirus pandemic and the Gaza War have shown us that even the most unlikely scenarios can materialise

THE ITZICK SIMON ANNUAL CONFERENCE ON INSURANCE, SAFETY AND RISK MANAGEMENT
IN THE CONSTRUCTION INDUSTRY – CERTIFICATE OF RECOGNITION AWARDS CEREMONY

Certificates Of Recognition For Three People Who Have Made A Valuable Contribution To The Industry

A ceremony to award certificates of recognition was held during the conference. The Itzick Simon Insurance Agency awarded a certificate of recognition to three innovative individuals who have made an outstanding contribution to the construction and construction insurance sector in Israel: Raul Serogo, Adv. Uri Orland and Itzick Moyal – each one having made a valuable contribution in their area of speciality, each one having left a mark on the way in which safety, insurance and workers' rights are protected in the industry. Here is a brief account of the efforts and achievements of each individual.



Itzick Simon and Lyr Nisani presenting the certificates

Raul Serogo, Former Chairman Of The Association Of Contractors And Builders In Israel: "Safety Is The Top Priority"

During the Annual Construction Insurance, Safety, and Risk Management Conference, a certificate of recognition was awarded to Raul Serogo, who presided for two terms as Chairman of the Association of Contractors and Builders in Israel

Serogo led the construction industry through stormy times and crises, frequent changes of government, the pandemic and the lockdowns, manpower shortages that disrupted schedules, regulatory disputes that threatened to paralyse construction and planning initiatives, and to top it all, the Gaza War following the events of 7th October, which left the entire country in complete shock and had a very negative impact on the construction industry.

Despite all of this, Serogo stood firm, resolute, sometimes isolated but always courageous, precise, and, most importantly, committed.

Serogo was never scared to speak his mind to decision makers, was never short for words, ambiguous, or avoidant at press conferences or in opinion papers – he represented contractors and developers, site workers, foremen, and basically everyone involved in the construction industry in Israel with authenticity, integrity, and with a sense of mission.

Serogo strived to increase professionalism in the industry, reinforce the public image of contractors, and



Raul Serogo receiving the certificate of recognition

achieve genuine recognition of the national importance of Israeli builders – with his heart and soul, and sometimes tooth and nail.

Last year, he faced an unimaginable personal tragedy when his dear son Roy was killed in a paragliding accident, but even then, with the nobility and humility he is renowned, he continued to display exemplary conduct, professional responsibility and human kindness. Despite his personal crisis, he continued

to strengthen others. Despite his own suffering, he remained fully committed to public service. For his exceptional leadership, activism and personal and public courage, as well as being an exemplary role model, we are honoured to award Raul Serogo the Certificate of Recognition at the Itzick Simon annual construction insurance, safety, and risk management conference.

Serogo: "We started during the coronavirus pandemic and battled for the construction industry to be classified as an essential service, continuing during the Gaza War after 7th October, despite all of the difficulties we are still experiencing today. I have always

said that safety is the top priority, and if the budget is down to its last shekel, I'll invest it in safety. The government unfortunately has lost its sense of the importance of safety, and so I felt a calling, together with my colleagues, to establish the Construction Industry Safety Unit".

Tears came to his eyes when he mentioned his late son Roy Serogo, of blessed memory, who was killed in a tragic sports accident.

THE ITZICK SIMON ANNUAL CONFERENCE ON INSURANCE, SAFETY AND RISK MANAGEMENT
IN THE CONSTRUCTION INDUSTRY – CERTIFICATE OF RECOGNITION AWARDS CEREMONY

Adv. Uri Orland: "We Came To The Commissioner Of Insurance And Told Him – Start Regulating The Issue Of Manuscript Certificates Of Insurance"

The idea that Orland conceived and led, which was adopted by the Commissioner of Insurance, became mandatory and made a valuable contribution to streamlining processes in Contractors All Risks insurance, advancing projects, and saving valuable resources in the entire construction industry

Adv. Uri Orland received the 2025 certificate of recognition at the annual construction insurance, safety and risk management conference for his tireless efforts, vision and for the immeasurable contribution and personal example he has displayed over the years, and especially for the idea he conceived and brought to fruition – initiating the idea of standardised certificates of insurance which was adopted by the Commissioner of Insurance. His idea lead to a new binding regulation circular and made a valuable contribution to streamlining processes in Contractors All Risks insurance, advancing projects and saving valuable resources in the entire construction industry.

Adv. Orland, a veteran independent insurance consultant with extensive knowledge and experience, has guided and continues to guide numerous complex projects. He been a mentor for insurance professionals over the years and is one of the most highly regarded personalities in the insurance industry, not only by virtue of his expertise, but also due to his integrity, sensitivity and personal approach, which is also manifested in regular pro-bono work that he and his staff undertake generously and wholeheartedly for social entities, communities and individuals in need. Over the years, he has been a listening ear, a centre of influence, and a professional model for consultants, agents, insurance company personnel, and developers. A couple of years ago he devised the concept of a standardised certificate of insurance to replace manuscript certificates, a move that has significantly improved the industry. Out of a sense of mission and responsibility to increase professional standards, Uri Orland and his staff made consistent and dedicated



Uri Orland receiving the certificate of recognition

efforts to bring an end to a long saga of confusion, delays, and futile efforts, and to create a better sense of order, transparency, and sanity in an area that lacked any logistical uniformity. The concept he conceived, led, and brought to fruition, which was adopted by the Commissioner of Insurance, became a binding regulation circular and made a valuable contribution to streamlining processes in Contractors All Risks insurance, advancing projects, and saving valuable resources throughout the entire construction industry.

Orland: "A monstrous phenomenon arose in the insurance industry

called manuscript certificates of insurance, which put a spoke in the wheels of many businesses and projects, with most of the power in the hands of insurance consultants. We took the initiative of coming to the Commissioner and telling him – Take this power away. We told him it's no good, we've got too much authority! Within a short period, the Commissioner made his intention public to introduce a standardised certificate of insurance and welcomed input from the insurance industry and the general public. Credit should be given to the Commissioner, because he was the one who took the matter seriously.

Itzick Moyal: “The Rules And Regulations Concerning The Division Of Responsibility That I Lead Will Save Lives”

Moyal was the head of the Federation of Construction and Infrastructure Workers for 16 years, and in the last year, he was instrumental in introducing a new industry-wide extension provision that grants full employee benefits to foreign workers in all sectors

Itzick Moyal, who headed the Federation of Construction and Infrastructure Workers for 16 years, was awarded the certificate of recognition for devising, step by step, the most comprehensive set of employment rights and benefits in Israel to date.

When the construction industry was unregulated with no real occupational security nets, wages for construction workers were low, and skills were scarce, Moyal was instrumental in introducing the first extension provision for construction employees, and he initiated a comprehensive set of rights, fair pay, professional training, pension contributions, annual paid leave and retirement benefits.

His efforts came to fruition just a few months ago when a new industry-wide extension provision was enacted, justifiably referred to as “one of the most advanced in the world”. The provision requires all contractors and developers in Israel to provide full employee benefits to all foreign workers across all sectors.

Moyal accomplished all of this in a rare and unprecedented collaboration with the Association of Builders and Contractors in Israel, emphasising collaboration over coercion, responsibility, dialogue, and cooperation over threats or strikes. By virtue of this approach, a system of stable employment relations is now in place, which benefits and strengthens the entire industry at the same time. In addition to these changes, Moyal was and remains a leader in the field



Itzick Moyal receiving the certificate of recognition.

of professional training. He established, in cooperation with the Construction Industry Incentive Fund, the Academy of Construction Professions, and has made tireless efforts to regulate the crane industry. He has also personally overseen a comprehensive process designed to minimize accidents and increase safety standards at construction sites.

At the same time, Moyal is recovering from a recent personal tragedy. His brother, Ori Moyal, was killed in a terrorist attack in 2024 at the Aroma cafe in Kama.

Despite his tragic loss, his professional

efforts shine a light on the memory of his brother who shared the same ethical and moral values of compassion, integrity and responsibility.

For vision, courage, and a deep-rooted sense of responsibility for the future of the construction industry in Israel, we are honoured to award the 2025 certificate of recognition at the annual construction insurance, safety, and risk management conference to Ori Moyal. Moyal: “The legal regulations governing the division of responsibility that I led will save human lives and quite rightly raise the esteem of construction foremen”.

THE ITZICK SIMON ANNUAL CONSTRUCTION INSURANCE, SAFETY,
AND RISK MANAGEMENT ANNUAL CONFERENCE – INNOVATION

Future Innovation: Looking Forward To New Opportunities In The Industry

• Prof. Yaron Zelekha – Chairman of the New Economics Party and the former Comptroller General in the Ministry of Finance • Yarden Peled, CEO and owner of InsurAI – overview of technological developments and the use of AI tools for construction

Asides from panels and discussions on current affairs in the industry, the conference also highlighted innovations in the construction industry. Prof. Yaron Zelekha, a former Comptroller General in the Ministry of Finance, gave a lecture provocatively entitled: "How to move mountains in Israel". In this lecture, Prof. Zelekha highlighted faults and defects in the development and execution of major infrastructure projects in Israel, offering possible solutions to rectify them. Zelekha criticised the chronic delays, deviations from budgets, and lack of long-term outlook in mega-projects and offered a range of practical and regulatory solutions – "To move mountains" to remove existing obstacles.

He mapped out the challenges in the construction insurance sector within the wider context of the *modus operandi* of the construction and infrastructure industry, and showed how executive innovation and changes in policy can streamline projects and make them safer. Later, Yarden Peled, CEO and owner of InsurAI, gave an engaging lecture on the subject of AI in the insurance industry. Peled provided an overview of the latest technological developments and the application of AI tools in the construction, insurance, and risk management sectors. He demonstrated how machine learning algorithms can assist in analysing risks at construction sites (such as identifying accident patterns or safety-related obstacles based on historical data), and more accurately predict the probability of accidents or losses, and how technological innovation becomes an integral part of the process of managing the construction project and creating tailor-made insurance products. The message was that in addition to political and legislative moves, innovative tools should also be adopted to address the challenges facing the industry – from smart construction safety technology to computerized systems aimed at increasing competition in the insurance industry.

To conclude the conference, journalist Amalya Duek conducted a heartfelt interview with Eli Sharabi, who was



Prof. Yaron Zelekha

abducted into Gaza on 7th October 2023 and released 491 days later on 8th February 2025, only to discover that his wife, Lea (48), and his daughters, Noya (16) and Yael (13), had been brutally murdered in their home on that fateful day.

In the interview, shortly before publication of Sharabi's personal account of his harrowing experience, in which he describes the abduction, his survival in captivity, return to Israel during a hostage exchange deal, and life since then without

his wife and children.

Eli Sharabi's story moved the crowd and served as a powerful reminder of the resilience of the people behind the projects – company managers and staff – who cope not only with work-related risks, but also with immensurable security-related challenges. There is no doubt that this off-topic interview was an inspiring and uplifting way to end the conference.

Summing it up – The broader perspective

The Itzick Simon annual construction insurance, safety, and risk management conference provided a profound, engaging and diverse review of the significant challenges the industry faces, and the myriad of initiatives and possible solutions to improve this complex and essential sector. The central message that emerges from the panel discussions is the need to join forces, and that only a combined effort by all parties involved – regulators, insurers, contractors, developers, workers, and emergency services – will resolve the current crisis. The combination of improvements in regulation (such as a new subrogation mechanism and the possibility of opening the market to foreign insurers), increased competition and innovation, improving on-site knowledge and training, and making safety the top priority – are all key to a more stable, secure and profitable future for the construction industry and the construction insurance sector in Israel.



journalist Amalya Duek interview with Eli Sharabi

The Big Picture

Beyond The Lectures, Panels, And Professional Sessions, The Conference Provided A Unique Opportunity To Engage And Connect Within A Community Bound By A Shared Vision





Heartfelt Thanks

*Go To All Speakers, Panel Discussion Participants,
The Production Team From Our Office,
And Of Course To The 600 Participants
Who Took Part In The 2025 Itzick Simon Conference
On Insurance, Safety And Risk Management
In The Construction Industry*



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