

Liability

Legal and Ethical Implications of AI

Artificial intelligence is used in an increasing number of roles by design professionals, leaving many to wonder about the legal and ethical implications of its use. Engineering Inc. tackles this question with experts across engineering and technology, and provides guidance on the guidelines firms and professionals should establish.

https://read.nxtbook.com/acec/engineering_inc/issue_four_2024/the_legal_and_ethical_risks_of_artificial_intelligence_ai.html

Flint, MI Water Crisis Settlement

A decade after the Flint, MI. water crisis emerged, a Boston, MA based engineering firm has settled with the Michigan Attorney General Office. Veolia North America agreed to a \$53 million settlement a decade after the firm was hired to switch Flint's water supply from Lake Huron to the Flint River in 2014. Following the switch, distribution pipes corroded exposing users to lead and other contaminants. Engineering News Record [has the story](#)

Insurance Rates Rising for Engineers and Architects

Professional liability insurance coverage for architects and engineers continues to be a pain point according to a new report on construction insurance from Aon. Claims costs keep rising due to the number of single plaintiff verdicts of \$10 million and \$100 million. Insurers are increasingly worried about the tendency of juries to award ever growing damage awards to claimants. In response to growing claims awards, insurers are starting to lower limits. Read the report here:

<https://www.aon.com/en/insights/reports/global-construction-insurance-and-surety-market-report>

Ames & Gough: Insurance Rates Rise Again for Architects & Engineers

A survey of A&E insurers conducted by broker Ames & Gough confirms Aon's liability insurance survey. The Ames & Gough survey found "53% of insurers reporting higher claim severity in 2024 compared to 41% in 2023." The survey also found that the 2024 market saw its fourth consecutive year of growth, though more moderate than the number reported in recent years. Most of the growth was attributed to increased billings, new policies, higher premium rates, and clients purchasing higher limits. Like the Aon study, part of the growth is attributable to economic and social inflation with 53% of respondents experiencing higher claim severity in 2024 than in 2023.

<https://riskandinsurance.com/ae-insurance-market-grows-amid-rising-risks-claims-costs/>

Florida Attempts to Eliminate Licensing Boards

Several attempts by the Florida legislature to eliminate state licensing boards this year were ultimately unsuccessful. Opponents of the measure say that the licensing boards need more abilities to regulate and discipline bad actors, not fewer. Other concerns included the impact the measure would have on insurance rates if the proposal passed. Despite numerous attempts on numerous bills, the proposal was ultimately unsuccessful due to the work of a coalition of licensed professionals. The Insurance Journal has more details on the proposed language and its implications:

<https://www.insurancejournal.com/magazines/mag-features/2025/05/05/821585.htm>

Economy and Workforce

Construction Slows in April

Recently published US Census information shows that the construction industry slowed in April of 2025. The seasonally adjusted rate of \$2.15 trillion represents a monthly decline of .4 percent and marks the third consecutive month of declines. The biggest cause of the decline was less private construction, while public construction grew by .4 percent. ACEC's Last Word Blog has more:

[U.S. Construction Growth Slows in April as Sector Shifts Continue - ACEC](#)

New ACEC Research shows AI is Enhancing Human Capabilities at Engineering Firms

Unsurprisingly, new research from ACEC shows that engineering firms are using AI to enhance, rather than replace, human capabilities. The research combines meetings with executives and two different national surveys. Eighty-one percent of marketing and sales departments report using AI, followed by 36 percent of design and project delivery. Most firms expect AI to allow them to maintain staffing levels while increasing output and 58 percent estimate that AI could automate up to 29 percent of current tasks. Challenges such as ethical use of the platform, cultural resistance, and integration with other systems continue to be an issues. More information about The Role of Artificial Intelligence in the Engineering Industry can be found here:

[New ACEC Research Institute Report Finds AI is Transforming Engineering by Accelerating Human Talent - ACEC](#)

BLS Outlook: Architecture and Engineering to see Growth

The US Bureau of Labor Statistics predicts that overall employment in the architecture and engineering field is expected to outpace all other occupations from 2023 to 2033, averaging approximately 195,000 openings per year. <https://www.bls.gov/ooh/architecture-and-engineering/>

Materials Cost Decrease, Steel & Copper Spike

A new analysis by the Associated Building Contractors shows that overall materials costs have decreased since the first of the year largely due to lower energy prices. The costs of steel and copper, however, have increased due to tariff implementation. Steel mill prices were up 5.9 percent for the month of April while copper wire and cable increased 5 percent, and iron and steel prices were up 2.3 percent. Engineering News Record has more.

<https://www.enr.com/articles/60753-materials-prices-down-overall-as-tariffs-cause-steel-spike>

Federal Actions

Feds to States: Comply with DEI, Immigration Changes or Lose Federal Funding

The Trump Administration is telling state governments to comply with federal changes to immigration and diversity, equity and inclusion policies or risk losing federal funding for projects. Several state attorneys general have engaged in a lawsuit challenging the Administration's new rulings. The Bridge Michigan has more details:

[Trump to Michigan: Comply with immigration, DEI orders or lose road funding | Bridge Michigan](#)

Federal DBE Program on Rocks

The Federal Disadvantaged Business Enterprise Program faces an uncertain future following legal challenges to its constitutionality. For year, the DBE program created incentives for hiring women and minority owned businesses for state managed, federally funded projects. Recently the US Department of Transportation and the Department of Justice agreed to a consent decree with plaintiffs in the MAMCO et al v. USDOT challenge. Challengers state race and sex-based presumptions violate the equal protection component of the Due Process Clause. Magistrate Judge Edward Atkins granted a motion to intervene to a number of organizations supporting women and minority business owners. The intervenors defended their request stating "the federal government has demonstrated that it may not defend this lawsuit going forward." Engineering News Record has more: <https://www.enr.com/articles/60814-us-dot-calls-dbe-program-unconstitutional-asks-judge-to-block-key-parts>

Court documents can be found here: [Microsoft Word - 2025.05.28 - MAMCO Draft Proposed Consent Order - clean](#)