Engineers, Architects Call For Relief From Construction Defect Suit 'Train Wreck'

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Engineers and architects are finding it harder to walk away from their luxury condo projects after giving their final sign-off.

More luxury condo buyers are filing complaints of cracks in concrete, roofing failures and water intrusion — driving up insurance premiums, or driving away carriers altogether, for architecture and engineering firms. So much so that they are asking lawmakers for help.

"I look at this as a train wreck that's happening in slow motion, but it is happening, and something needs to change," DeSimone Consulting Engineering (https://www.bisnow.com/tags/desimone-consulting-engineering) Managing Principal Bill O'Donnell said Thursday at *Bisnow*'s South Florida Construction and Development Forum.

"That's really why we're here, is to try and garner [support]," he added. "This is not a bitch session, because we've been doing that for two decades."

Chapter 558 of the Florida Statutes allow condominium associations of new buildings to inspect the property for construction defects and request repairs through a prelawsuit.

More often than not, claims lead to a lawsuit (https://www.bisnow.com/south-florida/news/multifamily/construction-defects-miami-luxury-condos-raising-liability-insurance-134785) when developers let the deadline to fix the defects pass so their liability insurance can be used to cover the cost of repairs.

The dynamic is part of an increase in liability lawsuits nationally, which many blame on the trial lawyer industry as it aggressively advertises (https://www.forbes.com/sites/brandonkochkodin/2024/12/05/john-morgan-personal-injury-lawyers-billionaire/) and expands its headcount (https://www.reuters.com/legal/legalindustry/legal-sector-shines-new-us-jobs-report-2026-02-12/). More frequent and larger payouts have been driving up insurance rates (https://www.bisnow.com/national/news/capital-markets/commercial-property-owners-face-increases-in-liability-insurance-amid-surge-in-lawsuits-134087) as a result.

The increase is especially acute for engineers and architects, who are required to hold (https://codes.findlaw.com/fl/title-xxxiii-regulation-of-trade-commerce-investments-and-solicitations/fl-st-sect-558-0035/) professional liability insurance for protection from individual liability under the 558 statute but don't have the same financial wherewithal as luxury condo developers.

Professional liability insurance faces an increase in claim severity driven by social inflation, economic uncertainty and emerging risks in artificial intelligence (https://www.bisnow.com/tags/artificial-intelligence) and climate change, according to a 2025 Willis Towers Watson report (https://www.wtwco.com/en-ca/insights/2025/10/insurance-marketplace-realities-2026-architects-and-engineers), which still projected prices to remain stable.

In Florida, engineers and architects have also had the additional strain of grappling with liability fears (https://www.bisnow.com/south-florida/news/construction-development/florida-engineers-shy-away-from-condo-work-amid-litigation-and-liability-fears-129784) and heightened pressure following the collapse of the Champlain Towers South (https://www.bisnow.com/tags/champlain-towers-south), which killed 98 people in Surfside and put increased emphasis (https://www.bisnow.com/south-florida/news/multifamily/investigators-say-condo-deadly-surfside-collapse-had-been-failing-for-almost-a-month-135153) on structural integrity.

Insurance underwriters view Florida as one of the most difficult jurisdictions, largely due to 558 claims, said Robert Hughes, a senior vice president at insurance consultancy Ames & Gough.

In response, many underwriters and insurers are leaving the Sunshine State altogether, Hughes said onstage at the Hyatt Regency in Downtown Miami.

"The idea [for 558 claims] is to throw as much on paper as you possibly can and see what you can get out of the developer, the [owner-controlled and contractor-controlled insurance], the professional liability claims," said O'Donnell, whose firm was named in one of the most recent 558 suits in South Florida.

"In my opinion, it's a bit out of control."

The Aston Martin (https://www.bisnow.com/tags/aston-martin) Residences condo association filed a suit against (https://www.bisnow.com/south-florida/news/multifamily/association-of-1b-aston-martin-tower-sue-for-construction-defects-134233) the luxury tower's developer, Argentine grocery mogul German Coto (https://www.bisnow.com/tags/german-coto), and 16 other contractors and subcontractors — including DeSimone Consulting Engineering.

Residents of the 341-unit, 66-story tower claimed the builders violated building codes through improper design and construction of the building's systems and components when they completed the project in 2024.

Claims like these have been a leading factor in increasing premiums for umbrella coverage on large construction projects.

Policies for owner-controlled and contractor-controlled insurance have risen from between 1% and 2% of a project's overall costs to 7%, O'Donnell said.

For projects that cost hundreds of millions of dollars to build, that can be a multimillion-dollar bill, adding to the increased costs (https://www.miamitodaynews.com/2026/03/04/high-interest-rates-construction-costs-choke-development/) many developers have had to deal with amid high interest rates and rising materials prices.

It is a double-edged sword for design professionals, who are often self-insured.

Associations are naming architects and engineers in suits even if the design in question wasn't theirs to dispute, like a leaking ceiling, Arquitectonica (https://www.bisnow.com/tags/arquitectonica) principal Sherri Gutierrez said.

"I didn't install the waterproofing. If it's leaking, I didn't put on the drawings 'leak here' with a big arrow, right?" Gutierrez said. "That's not something that we did, right? But yet it comes through because, 'Well, you still have [construction administration] responsibility and you didn't see it.'"

More often than not, it ends in a settlement, whether the professional is at fault or not.

But once the firm's name hits the docket and it pays out the claim, its insurance takes a hit, leading to higher premiums or dropped coverage, Gutierrez said.

"It's this cycle, which makes it impossible to have insurance," she said.

To combat these issues, Gutierrez said the state government needs to create a regulatory board that reviews 558 complaints before they move forward.

The measure could significantly reduce the number of frivolous claims, especially as many are seemingly cosmetic, like two separate colors of paint, Gutierrez said.

And while design professionals also need a stricter process to ensure quality to help keep claims down, change ultimately needs to come from state leaders, O'Donnell said.

"What we want to do is talk to our legislators in Tallahassee, we want to talk to the Florida Bar [Association], because things have to happen in both of those courts in order to make this process more fair," he said. "We're not looking to disparage the owners that bought something in the condo. They're entitled to get what they paid for. We just need to manage the process more."

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