



## AI-Powered Construction Arbitration Launched by the American Arbitration Association

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On November 3, 2025, the American Arbitration Association–International Centre for Dispute Resolution (AAA-ICDR) launched a groundbreaking development in the field of alternative dispute resolution (ADR) with its artificial intelligence (AI) arbitration option for two-party, documents-only construction disputes. While this option only applies to certain smaller cases, this is clearly the beginning of the attempt to utilize AI to resolve construction disputes.

The AAA-ICDR touts the platform as combining the speed and efficiency of AI with expert human training and judgment. The platform was developed with QuantumBlack AI by McKinsey and involves a “human-in-the-loop” framework. Using data from more than 1,500 construction arbitrations and input from human arbitrators, the AI Arbitrator will review the arbitration filings and supporting documents and provide its understanding of the facts. The parties themselves will have the first level of human oversight to validate the AI Arbitrator’s understanding of their submissions. The AI Arbitrator will then evaluate the merits of each claim, generate explainable recommendations and draft a proposed award. The next step of the “human-in-the-loop” framework employs a human arbitrator to review the reasoning, evaluate, and revise as necessary, the AI outcomes before a

decision is finalized and an award is issued.

The AAA-ICDR plans to eventually extend the option to more complicated construction cases and other industries.

At first glance, the ironic selling point of the AI Arbitrator solution is that it has a “human-in-the-loop” framework. It is hard to imagine that any party would be willing to rely entirely on the AI arbitrator without human oversight - at least for now. However, it is also conceivable that in certain situations this platform may be well positioned for success. For instance, take a construction project that is in the midst of construction, and an issue arises that needs swift adjudication to keep the project moving and minimize potential damages. The AI Arbitrator could provide an expedient framework for a quick decision that allows the construction to move forward instead of hampering the progress of the project. It will be interesting to see how quickly the AI Arbitrator option gets used and in what situations.

## ATTORNEYS

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