

AI-ASSISTED LAWYERS' PRACTICE AND PROFESSIONAL INDEMNITY INSURANCE: BETWEEN TRADITIONAL COVERAGE AND EMERGING RISKS**

Summary

The growing use of artificial intelligence (AI) by lawyers is transforming the delivery of legal services. AI can improve efficiency, reduce costs, and enable lawyers to process large volumes of information more rapidly. However, the integration of AI also raises significant legal and professional issues, as AI systems may generate inaccurate or fabricated information, potentially giving rise to claims of professional negligence and liability.

This paper examines whether damage arising from the use of AI falls within the scope of professional indemnity insurance, given that AI-related risks are not yet explicitly excluded, despite the lack of information necessary for adequate risk assessment. The author argues that coverage may depend on whether the lawyer's conduct qualifies as a covered 'professional service' and whether the technology was reasonably supervised. Consequently, insurers are likely to place greater emphasis on lawyers' AI governance, verification procedures, data protection, and technological competence when underwriting professional liability risks, drawing on comparative legal solutions.

Keywords: Artificial Intelligence, Insurance, Professional Indemnity Insurance, Lawyer, Liability.

* PhD, Senior Research Associate, Institute of Comparative Law, Belgrade, Republic of Serbia.

E-mail: m.glintic@iup.ac.rs

ORCID: <https://orcid.org/0000-0001-8551-4999>

** This article is the result of research conducted at the Institute of Comparative Law in 2026, with financial support from the Ministry of Science, Technological Development and Innovation (Contract No. 451-03-33/2026-03/200049).

UPOTREBA VEŠTAČKE INTELIGENCIJE U ADVOKATSKOJ PROFESIJI I OSIGURANJE OD PROFESIONALNE ODGOVORNOSTI: IZMEĐU TRADICIONALNOG POKRIĆA I NOVIH RIZIKA

Apstrakt

Sve veća upotreba veštačke inteligencije (AI) od strane advokata menja način na koji se pružaju pravne usluge. AI može doprineti povećanju efikasnosti, smanjenju troškova i omogućiti advokatima da brže obrađuju velike količine informacija. Istovremeno, primena AI otvara značajna pravna pitanja, budući da AI sistemi mogu generisati netačne ili izmišljene informacije, što potencijalno može dovesti do odgovornosti advokata i povrede standarda dužne pažnje.

Rad je posvećen analizi pitanja da li je šteta nastala upotrebom AI pokrivena osiguranjem od profesionalne odgovornosti, budući da osiguravači još uvek nisu isključili svoju obavezu za rizike povezane sa upotrebom AI, uprkos nedostatku informacija neophodnih za adekvatnu procenu rizika. Autor smatra da pokriće po osnovu ovog proizvoda osiguranja u najvećoj meri zavisi od toga da li se korišćenje AI alata od strane advokata u konkretnom slučaju može kvalifikovati kao osigurana „profesionalna usluga“ i da li je primena tehnologije bila podvrgnuta odgovarajućem nadzoru. Posledično, osiguravači će sve veću pažnju posvećivati upravljanju rizicima povezanim sa AI, postupcima provere, zaštiti podataka i tehnološkoj osposobljenosti advokata prilikom procene i preuzimanja rizika osiguranja, što potvrđuju i predstavljena uporednopravna rešenja.

Ključne reči: veštačka inteligencija, osiguranje, osiguranje od profesionalne odgovornosti, advokat, odgovornost.

1. Introduction

The use of AI tools for legal purposes, including by lawyers, has been the subject of discussion for several years.¹ Attitudes towards emerging technologies have evolved considerably, from initial scepticism to a growing willingness to embrace the opportunities they offer.² This shift has been driven, in part, by the emer-

¹ For example, the AI chatbot DoNotPay was widely used in 2021 to draft appeals against parking fines. (The Guardian, 2016).

² In 2023, Thomson Reuters conducted a survey among lawyers concerning the use of AI, with

gence of increasingly sophisticated technological capabilities that promise greater efficiency, more extensive and comprehensive legal research, more effective document retrieval, improved assessment of potential outcomes, cost reductions, and more efficient decision-making, while also enabling lawyers to delegate or automate a substantial proportion of their routine work (Hodge, 2023, p. 226).

Initially, AI tools were primarily used to streamline internal operations, with law firms themselves developing them for client communication, HR processes, and other administrative functions.³ Their role has since expanded considerably, as the legal technology market has increasingly turned to specialised AI applications designed to support core functions of legal practice.⁴ Examples of AI tools used by lawyers include Beck-Noxtua,⁵ Juris, ANITA, Wolters Kluwer Online, Libra.ai, Bryter, Beamon AI, Justin Legal, JUPUS, and JUNE (GC AI, 2026).⁶ The functionality offered by these tools ranges from rapid searches of legal databases and deadline management to the identification of potential lines of judicial reasoning and the drafting and analysis of contracts. Their value is particularly evident in document review, where they can assist in processing, assessing, and summarising large volumes of complex materials, including contracts, due diligence documents, and other transaction-related materials in the context of mergers and acquisitions.⁷

a large proportion of respondents indicating no interest in using such tools in their law firms. Only 3% reported using AI tools in their firms, 33% stated that they were considering their use, while more than 60% indicated that they were not interested in implementing these tools in the performance of their professional activities (Thomson Reuters Institute, 2023).

³ One example is Traverse AI, an AI tool developed by the law firm Traverse Law. Companies such as Baker McKenzie and Reed Smith have also developed their own AI tools. There are also examples of law firms using chatbots to triage requests for legal representation within the firm by assigning matters to a particular lawyer or team, as well as to respond to clients using existing templates based on available data and files containing previous responses. Microsoft Copilot, for example, can draft emails, analyse Word or Excel documents, and record Teams meetings.

⁴ The scale of development and the capabilities of these tools have become such that there is already considerable debate as to whether AI lawyers will eventually replace human lawyers (Swisher, 2023, pp. 828-831).

⁵ This is a joint project of C.H. Beck and Noxtua, combining Noxtua's AI technology with exclusive content provided by the publisher C.H. BECK. Designed for law firms and corporate legal departments, it provides automated legal research, analysis of matrix documents, and drafting capabilities, while ensuring strict compliance with the GDPR and maintaining data sovereignty (Beck-Noxtua, 2026)

⁶ The list is far from exhaustive, as other tools include Harvey AI, Casetext CoCounsel, Kira Systems, Spellbook, Lex Machina, and ChatGD. There are also numerous projects jointly undertaken by academic institutions, such as the Berkeley Business Law Journal, and AI companies.

⁷ Tools such as Harvey Vault analyse large volumes of contracts for specific elements, such as liability clauses or change-of-control provisions, including termination rights triggered by a

AI-assisted contract analysis has become especially significant in recent years, as AI tools can identify potential contractual deficiencies or unfair provisions, assess their relative severity, and present lawyers with a structured overview of the most significant findings, often accompanied by suggestions for improvement.⁸ AI tools are also increasingly being incorporated into litigation preparation, for example, to generate summaries of the procedural history, assist in developing arguments for an upcoming hearing, and identify relevant statutory provisions and case law supporting those arguments.

The growing reliance on AI in legal practice is driven, to a significant extent, by the potential of these tools to enhance efficiency and by the increasing confidence placed in their reliability. Vals AI, a platform specialising in the evaluation of AI systems and their performance, conducted a study assessing specialised AI tools. These tools achieved higher accuracy rates, ranging from 74% to 78%, compared with 69% for lawyers (Artificial Lawyer, 2025). Particularly noteworthy is the finding that specialised AI tools performed only marginally better than general-purpose AI tools.⁹ Lawyers nevertheless retained an advantage when addressing questions that required deeper contextual understanding, complex multinational analysis, and the exercise of human judgement.

There is little doubt that the capabilities of AI may extend to the point where they surpass even those of the most competent professional. Yet the inherent and inevitable limitations of AI raise a fundamental question for any professional relying on such technology: should AI be used to augment and enhance professional capabilities, or should it be allowed to replace them altogether, as Hatfield (2019, p. 1061) points out? The absence of active oversight and management of AI creates room for uncontrolled use, thereby providing fertile ground for a wide range of risky practices. Indeed, uncontrolled reliance on AI, coupled with increasing client demand for greater efficiency in the delivery of legal services,¹⁰ is far more concern-

change in majority ownership.

⁸ Some tools also allow the text of a contract to be compared against specified benchmarks, identifying, for example, embedded contractual limitations of liability or breaches of confidentiality clauses.

⁹ These so-called large language models are trained on vast quantities of textual data. They analyse texts, identify linguistic patterns, calculate probabilities for sequences of words, and generate new documents within seconds in response to appropriate commands, or prompts, as they are commonly referred to by specialists. These applications, also known as generative AI tools, are particularly well suited to texts that follow recurring structures, as is often the case in legal contexts.

¹⁰ It should be borne in mind that AI does not merely make lawyers providing advice 'smarter'; it also makes their clients more informed. Whereas Google searches were previously the first port of call, clients now also use AI to prepare for consultations. As a result, their expectations of

ing from the perspective of professional conduct than the deliberate and regulated use of new technologies. The legal profession therefore finds itself at a complex juncture: on the one hand, there are numerous examples of uncritical reliance on AI,¹¹ while, on the other, growing ethical and legal concerns have generated increasing caution about its use.¹² Professional indemnity insurance (PI insurance) constitutes an important, yet often overlooked, dimension of this development. Insurers face the considerable challenge of redefining PI insurance products so as to maintain adequate protection for third parties against losses arising from lawyers' professional conduct, while at the same time avoiding restrictions that could impede incentives for further and inevitable technological development.

2. Risks Associated with Lawyers' Use of AI

Contemporary advances in AI development are no longer based on a finite sequence of 'if-then' commands, but rather on algorithms that analyse datasets on which they are trained and that evolve through self-learning. When a computer system is provided with precise instructions governing its decision-making and is subsequently capable of adjusting those instructions on the basis of its experience with previous outcomes, its behaviour may change over time, enabling the system to learn autonomously. Most generative AI systems are based on so-called large language models (LLMs). These models are trained on vast quantities of textual data, including material drawn from legal databases and the internet, from which they derive complex statistical representations of language. AI tools do not, in fact, 'understand' either the material on which they have been trained or the texts they generate in the manner in which humans understand them (Surden, 2024, p. 1942). Rather, they employ mathematical and statistical techniques to predict which sequence of words is most likely to follow a particular prompt, based on linguistic patterns identified in the training data (Surden, 2024, p. 1945). This mode of operation inherently creates a risk of inaccurate or fabricated outputs which,

lawyers have increased significantly. In practice, it can also be observed that clients are increasingly insisting that lawyers use AI tools to perform routine tasks traditionally carried out by trainee lawyers, as this can reduce legal fees.

¹¹ '... the concern will be determining the line between professional reliance on AI and unprofessional over-reliance on AI' (Hatfield, 2019, p. 1071).

In fact, an environment is emerging in which even non-professionals may be able to engage in the practice of law (McGinnis & Pearce, 2014, p. 3048).

¹² Of more than 1,500 companies surveyed across 10 different countries, more than 40% reported that they had stopped using AI because of these concerns (Sayre, 2024, p. 367).

in the context of legal practice, may result in a breach of a lawyer's professional duties owed to a client. Any reliance on AI tools must therefore be accompanied by an awareness of the risk of so-called hallucinations, a risk that stems from the probabilistic nature of LLMs and their reliance on statistical prediction rather than independently verifiable truth (Warraich, 2025, p. 604).

The risks associated with such reliance are not merely theoretical. A U.S. attorney encountered precisely this problem in 2023 when he submitted a legal filing to a New York court based on unverified research conducted using ChatGPT, which generated references to fabricated judicial decisions (AP News, 2023).¹³ The presiding judge subsequently drew attention to the dangers of excessive reliance on AI-generated results, particularly in the absence of specific rules governing its use and effective mechanisms for preventing such practices before they result in harm. Under the existing framework, meaningful intervention may therefore occur only once actual harm has been suffered.

This case is by no means an isolated example of the problems arising from the use of AI tools in legal practice. In addition to fabricated precedents,¹⁴ there have been instances involving the oversimplification of legal doctrines, the late filing of legal remedies, the drafting of contracts containing unfair clauses, the provision of erroneous legal advice (CIO, 2025), and the misinterpretation of contractual provisions (Snell, 2025, p. 266). Studies conducted using Lexis+ AI and Westlaw AI Assisted Research have likewise demonstrated that, despite the considerable reliability of these systems, they continue to produce errors in approximately 17–34% of cases. This finding demonstrates that technological safeguards alone are insufficient and that human oversight remains essential to ensure the reliability of AI-assisted legal work (Warraich, 2025, p. 606).

Furthermore, the use of LLMs may entail the processing of personal and confidential information where such information is included in prompts or uploaded documents. Depending on the model and its configuration, information submitted to an AI system may be retained and used for further training, potentially making it retrievable or accessible to third parties,¹⁵ thereby rendering the protection of privacy an exceptionally challenging task in the twenty-first century (Gordanić & Bećirović Alić, 2026, p. 231). Moreover, some LLM providers reserve the right to access users' prompts and interaction histories for purposes such as monitoring misuse, including the detection of criminal activity or violations of the applicable

¹³ It is the case *Mata v. Avianca, Inc.*, 678 F. Supp.3d 443 US District Court, S.D. New York.

¹⁴ As a consequence of such misuse of AI tools, an Australian lawyer was struck off the roll and ordered to pay all costs incurred (The Guardian, 2025).

¹⁵ Some AI tools expressly guarantee that data will neither be transferred to the model operators nor used for model training. One such example is Libratech.ai.

terms of service. In more complex cases, company employees may also gain access to such content (Leben, 2026, pp. 1-20). The way in which AI tools operate and are trained therefore means that their use may expose confidential information to third parties (Tasić, 2026, p. 27). This risk materialises, for example, where a lawyer enters a client's personal data into an AI tool to generate a draft contract or submits a contract for AI-assisted analysis. Such practices may compromise the confidentiality of client information and, consequently, place the lawyer's duty of professional secrecy at risk (Białkowska, 2021, pp. 79-86).

All these risks associated with AI use may ultimately translate into various forms of both pecuniary and non-pecuniary loss to third parties, most commonly lawyers' clients (Petrović Tomić, 2012, pp. 26-27). Where the damage is attributable to a lawyer's professional conduct, the lawyer may be held liable and required to compensate the affected party, either from personal assets or through PI insurance.

3. PI Insurance in the Age of AI

The practice of law as a liberal profession requires lawyers to balance several distinct interests. Foremost among these is the public interest, given that the legal profession constitutes an integral component of the justice system, even though lawyers do not exercise judicial power directly.¹⁶ Lawyers must also safeguard the interests of the profession as a whole by exercising their professional duties with competence and independence, thereby preserving public confidence in the legal profession. Equally important is the client's interest. As a non-professional, the client must be able to place substantial reliance on the lawyer's expertise, diligence, and independent professional judgement.

At the same time, the mere fact that a client has suffered an unfavourable outcome does not necessarily indicate that the lawyer has acted negligently or failed to take all reasonable steps to protect the client's interests. Lawyers could, however, face claims from clients whenever litigation does not end as desired. If every adverse outcome were to expose a lawyer to such a claim, lawyers would face the prospect of repeatedly having to defend themselves against their own clients. Accordingly, PI insurance for lawyers has been made compulsory in a significant number of jurisdictions (Szpyt, 2022, pp. 301-302). This requirement aims to reconcile the lawyer's personal responsibility towards the client with the professional autonomy inherent

¹⁶ Principle 12 of the Basic Principles on the Role of Lawyers, adopted by the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, Havana, Cuba, 27 August–7 September 1990, similarly describes lawyers as 'essential agents of the administration of justice'.

in the practice of law. Such autonomy allows lawyers considerable discretion in determining how to handle a matter and in selecting the means, methods, and techniques best suited to carrying out the mandate entrusted to them (Poll, 1994, p. 164). PI insurance serves to protect clients from the financial consequences of losses arising from a lawyer's professional activities, thereby ensuring that their ability to obtain compensation is not dependent on the lawyer's own financial resources (Morgan & Hanrahan, 2017, p. 354). At the same time, PI insurance contributes to the internal regulation of the legal profession, since the availability of coverage is linked to the lawyer's compliance with the professional duties and standards governing the practice of law.

PI insurance primarily covers the lawyer's liability towards third parties for losses caused in the course of providing legal services. Depending on the circumstances of the case, the insurance may cover both fault-based and strict liability, as well as contractual and tortious liability (Čolović & Crnjanski, 2025, p. 172). The scope of coverage, however, is generally limited to pecuniary losses resulting from omissions or other professional misconduct in the practice of law, provided that such losses do not arise from the death or bodily injury of a person, or from the destruction, damage, or loss of property. Thus, the insurance covers neither property damage nor personal injury, nor consequential losses arising from such harm. In other words, professional liability insurance covers only the financial risk to which clients and other users of legal services are exposed (Petrović Tomić, 2012, p. 30).

Against this background, the increasing use of AI tools by lawyers raises an important question: to what extent are losses resulting from AI-related risks¹⁷ already encompassed by existing PI insurance? In order for coverage under a lawyer's PI insurance policy to arise, the damage must have resulted from the practice of law, and the lawyer's liability must be based on rules of private law.¹⁸ These requirements follow from the fundamental purpose of PI insurance, namely, to cover risks inherent in the professional practice of law. Accordingly, coverage may arise only where the lawyer is held liable for a breach of one of their professional duties (Schnyder, 2007, p. 153) recognised under private law,¹⁹ regardless of whether that liability has been established in judicial proceedings (Ćurković, 1997, p. 40), and where a causal link has been established between the breach of duty and the

¹⁷ Although the use of AI may result in both material and non-material damage (Glantić & Bezbradica, 2025, p. 170), as noted above, this insurance covers only pecuniary losses suffered by third parties as a result of the lawyer's professional conduct.

¹⁸ It follows that the coverage does not extend to claims based on contract, unlawful conduct, or rules of public law (Petrović Tomić, 2012, p. 28).

¹⁹ Examples of such activities include legal representation, legal advice, the provision of legal opinions, and the drafting of documents, statements of claim, and appeals.

damage suffered by the third party (Petrović Tomić, 2012, p. 28). Where these conditions are satisfied, the insurer's obligation to indemnify may arise under the insurance contract.

It follows that determining whether PI insurance will respond to losses arising from the use of AI depends on several issues that remain unsettled and to which the insurance industry has, at least to date, provided only partial answers. First, how should the requirement that the loss arise from the 'practice of law' or 'providing legal services' be interpreted in the context of AI-assisted legal services? Second, under what circumstances should a lawyer be held liable for loss caused by the use of an AI tool? Third, are insurers prepared to provide coverage for such losses at all? Fourth, are there any policy exclusions that would preclude coverage in these circumstances? Fifth, is additional or specialised insurance coverage necessary to address AI-related risks?

3.1. Coverage for the Provision of Legal Services

The first issue in determining the scope of PI insurance is whether the loss can be regarded as having arisen in the course of the lawyer's professional activities of providing legal services (Petrović Tomić, 2012, p. 28; Čolović & Crnjanski, 2025, p. 172). This raises a particular question in the context of AI: does the use of an AI tool remain sufficiently connected to the provision of legal services for any resulting loss to fall within the scope of PI coverage? Under the definitions of the provision of legal services by a lawyer found in comparative law,²⁰ a legal service essentially involves the legal subsumption of a particular set of facts and, as such, requires professional authorisation or a licence. Both generative and specialised AI systems are capable of performing functions that closely resemble this aspect of legal work: they independently classify legal issues arising in individual cases and assess them from both legal and contextual perspectives. The accuracy of the resulting analysis, however, is a separate matter. The use of AI tools by lawyers also involves a range of technical operations that complicate the question of whether the resulting loss can be attributed to the provision of legal services. These difficulties can be illustrated by a simple example. If a loss occurs because a lawyer loses the password used to access an AI tool, or because the lawyer gives the password to a trainee who subsequently misuses it, can the resulting loss still be regarded as having arisen in the course of providing legal services? The same issue arises where the loss is caused by incorrect data being entered into an AI system or by errors in its programming. Such programming or other technical errors would ordinarily

²⁰ See, for example, §2.1 Gesetz über außergerichtliche Rechtsdienstleistung – RDG, BGBl. 2023 I Nr. 64.

fall outside the activities traditionally associated with the legal profession, raising doubts as to whether the resulting loss should be covered by PI insurance. In such circumstances, although the lawyer may be liable for the loss, the loss may not have resulted from the provision of a legal service as such. Instead, it may be attributable to a technical error, a defect in the technology, or the AI system's autonomous or unintended operation.

The technical dimension inherent in the use of AI tools may become one of the most significant, and potentially most common, sources of claims under PI policies. This raises the broader question of whether existing insurance arrangements remain adequate for the risks associated with contemporary legal practice. Although AI systems may reduce the incidence of errors in substantive legal analysis, they are likely to increase the risk of technical errors. Lawyers will therefore increasingly need to combine legal expertise with a sufficient level of technical competence to ensure that the services they provide remain accurate, reliable, and professionally appropriate.²¹

At present, AI tools are used primarily to assist lawyers in performing their core professional activities rather than to replace them entirely (Swisher, 2023, p. 834). PI insurance should therefore also respond to losses caused by the failure or malfunction of technical tools used in the provision of legal services. Such activities remain part of the services provided by the lawyer to the client, while the lawyer remains ultimately responsible to the client for those services. This, in turn, brings into focus the related question of how liability for losses arising from the use of AI tools should be allocated.

3.2. Lawyer's Liability for AI-Related Damage

A further condition for coverage under a lawyer's PI insurance is the lawyer's liability for loss or damage suffered by a third party as a consequence of the lawyer's (un)professional conduct. Determining whether damage resulting from the use of AI in legal practice can likewise give rise to professional liability therefore requires consideration of the nature of, and preconditions for, a lawyer's professional liability.

A lawyer may incur either contractual or tortious liability towards a client, depending primarily on the existence of a contractual relationship and, where such a relationship exists, on whether an obligation arising from that relationship has been breached. Regardless of whether the liability is contractual or tortious

²¹ If Samsung employees could inadvertently disclose confidential information while using OpenAI's ChatGPT to troubleshoot technical problems, it is reasonable to ask what level of technical competence can realistically be expected of lawyers, who may possess even more limited technical knowledge (Gizmodo, 2023).

in nature, it is fault-based, meaning that a lawyer may be held liable for damage only where the damage is attributable to culpable conduct, whether intentional or resulting from gross negligence (Jovičić & Vukadinović, 2018, p. 650), including a culpable breach of a professional or ethical rule.

Among the most fundamental are a lawyer's duties to provide legal services competently and diligently, in accordance with the law and the rules governing the legal profession, and to preserve professional secrecy.²² Lawyers may also be under a continuing professional obligation to acquire new knowledge and develop the skills required to practise independently, competently, and effectively.²³ This gives rise to a question that is particularly relevant to the present analysis: might the requirement of competent and diligent legal practice eventually extend to an obligation to acquire sufficient knowledge of modern technologies, including AI tools? An additional challenge in addressing this question lies in the fact that a lawyer's obligation towards a client may constitute either an obligation of means or an obligation of result (Jovičić & Vukadinović, 2018, p. 652).

The obligation owed by a lawyer to their client is generally an obligation of means, as it requires the lawyer to bring their professional expertise and skills to bear and exercise the degree of care reasonably required to protect the client's rights. The lawyer does not, merely by failing to secure a favourable outcome, become liable for damage resulting from an unsuccessful proceeding. Since the lawyer's obligation is one of means, the lawyer is required to perform all professional activities in accordance with the standard of due care, which entails knowledge of and compliance with the rules of the profession, as well as adherence to the heightened standard of due care expected in the performance of professional duties.²⁴

There are nevertheless circumstances in which the lawyer's undertaking may amount to an obligation of result, which may be breached either by failure to achieve the intended outcome, by achieving it with delay, or which may be breached either

²² From a comparative-law perspective, these obligations are reflected in numerous national codes of conduct for lawyers, as compiled by the Council of Bars and Law Societies of Europe (CCBE, 2026), as well as in the Code of Conduct for European Lawyers adopted by the CCBE.

²³ This obligation is reflected in paragraph 3.3 of the SRA Code (England and Wales), ABA Model Rule 1.1 (USA), Article 6.2 of the Code of Professional Ethics, and Article 253 of the Statute of the Bar Association of Serbia. In France and Germany, various bar associations have adopted guidelines for lawyers that expressly state that lawyers must acquire AI-related skills.

²⁴ One example would be a failure to attend a hearing because an AI tool incorrectly calculated the relevant dates and failed to send a reminder. As a result of the failure to attend the hearing, the claim may be withdrawn or dismissed, potentially giving rise to an obligation to reimburse the opposing party's costs. These costs constitute damage suffered by the client, which the lawyer would be required to compensate for as a consequence of failing to meet the applicable standard of due care.

by failing to achieve the intended outcome, by achieving it with delay, or where the outcome is affected by certain material or legal defects. In these circumstances, the lawyer cannot avoid liability merely by asserting that they acted in accordance with due care and arguing that the failure to achieve the required result was therefore not attributable to them.²⁵ The reason is that, where an obligation of result exists, the professional undertaking itself requires the lawyer to deliver an outcome that is not affected by the relevant legal or material defects, and compliance with the standard of due care does not, by itself, discharge that obligation. The lawyer could avoid liability only by invoking force majeure (Jovičić & Vukadinović, 2018, p. 653).

When using AI tools, it is clear that lawyers must act responsibly (Pierce & Goutos, 2024, p. 487). The real difficulty lies in defining what responsible use entails and, more importantly, in identifying the circumstances in which a lawyer's conduct involving AI becomes sufficiently deficient to attract liability for the resulting damage. Where a lawyer's obligation is conceived as an obligation of result, which is the less common situation, the lawyer will be liable whenever the agreed result has not been achieved, irrespective of whether AI was involved in the performance of the service. Uncertainty arises where the lawyer's obligation is an obligation of means, as is generally the case, because the lawyer may seek to defend themselves by arguing that they acted with due care. This is where the use of AI introduces a new layer of complexity, because the standard developed over decades through judicial practice and codes of legal ethics may increasingly require lawyers not merely to possess traditional legal expertise, but also to have sufficient competence to use AI tools appropriately. Courts have already begun to confront this issue, with some judges taking the view that a lawyer cannot rely on a lack of familiarity with AI or an inability to use such tools as a legitimate defence against liability for damage caused through their use.²⁶

This development presents several challenges for both lawyers and the courts. First, the average lawyer will not have sufficient knowledge or understanding of AI to recognise when an AI system is particularly prone to error, which in turn raises the question of whether the lawyer can realistically be expected to determine the level of care required in each individual case. Second, even the exercise of a high degree of care cannot necessarily prevent an AI system from generating an

²⁵ An example would be a situation in which a lawyer is instructed to prepare a particular legal document that is subsequently rendered invalid because the required formalities have not been observed, resulting in the loss of a right belonging to the client or another person.

²⁶ As indicated by Maute (2014, p. 369): 'One, deliberate ignorance of technology is inexcusable. Two, if a lawyer cannot master the technology suitable for that lawyer's practice, the lawyer should either hire tech-savvy lawyers tasked with responsibility to keep current, or hire an outside technology consultant who understands the practice of law and associated ethical constraints'.

erroneous output or causing damage. A further difficulty concerns the very content of the duty of care: it remains uncertain whether that duty should extend beyond the lawyer's professional judgement to encompass technical safeguards against the manipulation or misuse of AI systems, such as checking and controlling the data supplied to the system. Ultimately, if the scope of the duty continues to expand in this manner, as is likely to be the case, the resulting standard may become so demanding and technically complex that compliance is difficult to achieve in practice, potentially discouraging lawyers from using AI technologies at all.

4. Challenges for PI Insurance for Lawyers

The challenges surrounding the definition of the standard of due care and the scope of the provision of legal services are directly relevant to the question of coverage under lawyers' PI insurance, since it remains unclear whether, and under what circumstances, a lawyer should be regarded as professionally liable where the loss or damage has resulted from the use of AI tools.

Insurance policies have generally not yet been adapted to address these developments. As a result, the position regarding AI-related losses remains uncertain. Existing policies typically neither expressly cover nor expressly exclude losses arising from the use of AI,²⁷ while insurance policies specifically designed to cover AI-related risks are still at an early stage of development.²⁸

4.1. Coverage under PI Insurance – the Grey Area

PI insurance for lawyers was developed on the assumption that lawyers themselves would conduct legal research and analysis and prepare the documents forming part of their professional work. The growing reliance on AI challenges that model of legal practice, while insurers have yet to fully adjust their approach to this changing working environment (Jungk, 2024). This creates a degree of uncertainty as to the extent of existing coverage, which may remain unnoticed until a claim is actually

²⁷ Insurers have so far been reluctant to take this step out of concern that policyholders might move to competitors that have not excluded AI-related risks from their coverage.

²⁸ One of Swiss Re's business partners, Armilla Assurance, has introduced an insurance policy specifically designed to address AI-related risks in the U.S. market. It is not, therefore, a traditional insurance policy that merely refers to AI-related risks; rather, it provides coverage for losses resulting from AI performance failures, including hallucinations, model errors, and disruptions to expected functionality. The policy also covers generative AI tools and established machine-learning systems used in sectors such as financial services and supply-chain management (Reinsurance News, 2025).

made, at which point a policyholder may discover that the relevant loss falls within an uncertain or contested area of coverage.²⁹ Existing policies generally do not contain provisions specifically addressing the use of AI, leaving the interpretation of the policy largely in the hands of insurers. A policyholder may argue that, because the policy does not expressly exclude losses resulting from the use of AI, such losses should fall within the coverage provided,³⁰ although insurers may dispute such an interpretation. Aware of the potential reputational risks involved, insurers are now increasingly clarifying the scope of coverage afforded by their policies.³¹

This silent coverage (or silent exclusion) of AI-related risks is not necessarily advantageous or disadvantageous in itself, but it may generate disputes and leave policyholders uncertain as to whether their use of AI is covered or whether they need to purchase additional insurance (Szpyt, 2021, p. 313). What is certain is that insurers will have to review and, where necessary, supplement or amend their existing policies (Necz, 2024, p. 477), particularly because PI insurance does not provide all-risk coverage, requiring the boundaries of the insured risk to be defined with sufficient precision.

Insurers should therefore reassess their existing policies, as these may prove to provide coverage for AI-related losses even though this was never their intention. The same task lies ahead for policyholders, who should seek clarification from their insurers about the extent of the protection available to them. This assessment should not be limited to PI policies but should also extend to other types of insurance, such as cyber insurance, that may provide coverage for certain AI-related losses. The interaction between different insurance policies is particularly important because insurers may seek to shift responsibility to other insurers, potentially resulting in delays in the settlement of claims, disputes, and, ultimately, gaps in coverage for the loss sustained.

The insurance response will also have to evolve as the use of AI in legal practice changes. Recently, it has become apparent that several prominent European insurers, including AXA, Allianz, and Zurich, have incorporated questions concerning AI-related risks into their existing underwriting questionnaires for cyber

²⁹ Research conducted by the American Bar Association in 2025 indicates that the majority of claims made against insurers providing lawyers' PI insurance were related to the use of AI (ABA, 2025).

³⁰ One possible argument is that, just as liability may arise for damage caused by an employee, liability may likewise arise for damage caused by an AI system.

³¹ In 2024, the London-based insurer Lloyd's issued guidance identifying the use of AI in the context of PI insurance as an emerging risk. It subsequently developed a dedicated AI endorsement aimed primarily at AI developers, but also applicable to those who use AI in the course of their professional activities (LMA, 2026).

insurance and PI insurance. This may result in higher premiums, the exclusion of coverage for certain forms of AI use, and the introduction of specific endorsements (Agent Insured, 2026).

4.2. Exclusions of Insurers' Liability for AI-Related Losses

As previously noted, only a limited number of insurers have so far expressly excluded AI-related risks from their policies.³² There are, however, several reasons to expect this approach to become more common. AI-related risks remain highly unpredictable, particularly given the potentially significant scale of the losses resulting from their materialisation. Insurers also lack sufficient historical claims data (Kenneally, 2026, p. 690) to assess these risks reliably and, consequently, to price the corresponding insurance coverage. The lack of reliable assessments of the risks associated with individual AI models presents an additional challenge.³³ A meaningful assessment of insurance risk requires the AI tools used by lawyers to be classified and evaluated according to their functions and degree of autonomy, because some AI tools may serve merely as tools assisting lawyers in providing professional services, whereas others may perform tasks with a considerably greater degree of autonomy, requiring different approaches to insurance coverage. The inherent unpredictability of AI systems, the difficulty of estimating the scale of the harm they may cause, and the absence of reliable methods for assessing their maximum potential exposure make it difficult for insurers to design and price appropriate coverage.

The problem is further complicated by the fact that AI-related risks may affect several different actors involved in the development and use of AI in legal practice, including lawyers, AI developers, and AI operators. Although the same harmful outcome may ultimately result, these actors have fundamentally different

³² The U.S. insurance market has already shown some movement in this direction. Insurers such as Philadelphia Insurance, Hamilton Select, and Berkley's have begun introducing exclusions for risks arising from the use of AI. (See Insurance Journal, 2024). In addition, ISO Endorsements CG 40 47 and CG 40 48 introduce express exclusions for claims arising from the use of generative AI under Commercial General Liability (CGL) policies. CG 40 47 excludes both bodily injury/property damage and personal and advertising injury coverage, while CG 40 48 excludes only personal and advertising injury coverage. This clearly indicates that insurers are slowly abandoning silent AI coverage and are moving to express contractual allocation of AI-related risks.

³³ The outcome of these evaluations is likely to play an important role in shaping the insurance industry's response. AI systems that fail to meet an acceptable level of safety may prove difficult or impossible to insure until the risks associated with their use have been reduced to an acceptable level. This could, in turn, create an additional incentive for the development of safer AI systems.

risk profiles and therefore belong to separate risk pools (Silver, 1996, p. 239). This provides a further rationale for excluding AI-related risks in order to preserve the homogeneity of the relevant risk pools.

However, the introduction of new exclusions is often accompanied by the development of specialised forms of coverage designed to address coverage gaps. Specialised AI policies may ultimately provide protection against risks that traditional insurance products, developed before the widespread adoption of AI, were not designed to accommodate.

4.3. New Insurance Products for AI-Related Losses

The significant gaps and uncertainties in existing insurance coverage, together with the growing prospect of express exclusions for AI-related risks, are likely to drive demand for specialised AI insurance products, regardless of whether such coverage ultimately becomes mandatory. The unpredictability of AI systems and the limited understanding of how they operate may expose a wide range of actors to liability, which is likely to increase demand for additional financial protection, since the causal link between the loss and their conduct may ultimately determine whether they are held liable.

The same applies to lawyers, whose PI insurance is unlikely to provide comprehensive protection on its own. For the time being, the absence of an adequate legal and regulatory framework leaves lawyers to bear much of this uncertainty themselves (Shamov, 2025, p. 535). They therefore face a difficult choice: either use AI tools while accepting the risks and uncertainties associated with their use, or refrain from using them and potentially lose the benefits that AI may offer to legal practice.

Available data, the current understanding of AI-related risks, and emerging approaches to AI liability provide a basis for outlining a possible insurance product to cover liability for AI-related harm caused by lawyers to third parties. Such insurance would most likely be voluntary rather than compulsory, since these AI systems are not fully autonomous and remain subject to a degree of human control. The design of such a product would also need to take into account that AI systems used by lawyers do not fall within the category of high-risk AI systems under the AI Act,³⁴ unlike the AI systems identified in Annex III of the AI Act as high-risk when used in the administration of justice. Those provisions are primarily concerned with systems used by judicial authorities. Since lawyers do not act ‘on behalf of a judicial authority’, their AI tools falls outside this category and therefore is not subject to the enhanced regulatory requirements.

³⁴ Regulation (EU) 2024/1689.

These AI systems are intended to assist human decision-making rather than replace it. Liability should consequently remain primarily with the person making the decision, in this case, the lawyer, who retains meaningful control over the associated risks.³⁵ The reliability of the outcome depends to a significant extent on how the lawyer, as its user or operator, interacts with it: the lawyer formulates the prompt, determines the relevant parameters and conditions, and must critically assess the accuracy and reliability of the system's output. In such circumstances, it would therefore be appropriate to recognise fault-based liability on the part of the lawyer using the AI system.³⁶ Bar associations and professional organisations will have an important role to play in developing practical guidance on the appropriate use of AI tools, together with protocols for verifying their outputs, including the accuracy of factual and legal statements, the soundness of the system's reasoning, and the level of human oversight required. These measures would help lawyers use AI responsibly while also providing them with a benchmark against which their conduct could be assessed, strengthening their position when facing claims from clients and when seeking coverage from an insurer.

5. Comparative Experience: the German Approach to AI Use and PI Insurance for Lawyers

The German insurance market provides a useful example of how PI insurance may adapt to the use of AI at the underwriting stage, rather than addressing AI-related risks only once a claim has arisen. This approach has developed against the background of Germany's mandatory PI insurance regime for lawyers, with a minimum coverage limit of €250,000 per insured event and an annual aggregate limit of €1 million.³⁷ A client's claim for damages may be brought under § 280 of the

³⁵ The liability of a lawyer acting as an AI operator should be distinguished from the liability of an AI developer or manufacturer for defects in the product. The latter may arise under different circumstances and be subject to a different liability regime.

³⁶ This approach is also broadly consistent with the concept reflected in the Proposal for a Directive of the European Parliament and of the Council on adapting non-contractual civil liability rules to artificial intelligence (the AI Liability Directive). Under the proposed framework, the operation of AI systems other than high-risk systems may give rise to fault-based liability on the part of the operator, while the position of the injured party may be strengthened through a presumption concerning the causal link between the use of AI and the damage suffered. The proposed approach was intended to facilitate the protection of the interests of manufacturers, suppliers, and users of AI systems. In practical terms, this would ease the injured party's evidentiary burden by allowing the defendant to avoid liability only by demonstrating that the AI system was operated with the requisite degree of care.

³⁷ §51 Bundesrechtsanwaltsordnung – BRAO (BGBl. 2025 I Nr. 34). In practice, law firms may

German Civil Code,³⁸ which provides a basis for compensation where a contractual obligation has been breached. In the context of professional liability, this provision operates in conjunction with the fault standard established by §276 BGB. A lawyer may avoid liability by demonstrating due care, a standard developed and refined through case law that is necessarily more demanding³⁹ than the level of care expected of an ordinary person.⁴⁰

The German framework is particularly relevant to the use of AI because lawyers are required to perform their professional duties independently and personally (§ 43 BRAO and § 613 BGB). AI tools may therefore be used to assist lawyers in performing their professional duties, but cannot substitute their professional judgement or relieve them of liability. The same principle is reflected in the general and special terms governing PI insurance, which treat AI as a technical aid.⁴¹ Accordingly, AI-assisted legal work may fall within the scope of PI insurance where the resulting loss is attributable to the lawyer's negligence.⁴² Under the approach articulated by Jungk (2024), AI-assisted legal work remains within the conceptual scope of lawyers' PI insurance where AI functions merely as an auxiliary tool and the lawyer remains responsible for and exercises professional control over the resulting legal service. Where these conditions are met, lawyers may continue to rely on their PI insurance for losses arising from their use of AI tools.

As is generally the case across European insurance markets, German insurers have not yet introduced specific exclusions for AI-related damage. The existing rules on exclusions and limitations of coverage therefore continue to apply. An insurer may deny coverage where the lawyer has acted intentionally,⁴³ while coverage may be subject to limitations where the loss results from the lawyer's gross negligence.

obtain substantially higher limits depending on the number of lawyers employed and the areas of law in which they practise. Firms specialising in corporate law, for example, may purchase policies with coverage limits of up to €50 million.

³⁸ Bürgerliches Gesetzbuch – BGB, BGBl. 2026 I Nr. 226.

³⁹ §43 BRAO.

⁴⁰ *diligentia quam in suis*, from §277 BGB.

⁴¹ Allgemeine und Besondere Versicherungsbedingungen sowie Risikobeschreibungen zur Vermögensschaden-Haftpflichtversicherung für Rechtsanwälte und Patentanwälte, Steuerberater, Wirtschaftsprüfer und vereidigte Buchprüfer (AVB-RSW), HV 60/06.

⁴² Although PI policy wordings differ between insurers, there are significant similarities in the scope of coverage, its limitations, and the applicable exclusions among policies offered by major German insurers, including AXA, Allianz, and R+V.

⁴³ § 81 Gesetz über den Versicherungsvertrag – VVG, BGBl. 2026 I Nr. 156.

In the absence of specific legislative intervention, lawyers have instead focused on defining the applicable standard of care, which will play a significant role in determining the scope of available insurance coverage.

Professional blogs have identified several examples of conduct that could amount to gross negligence on the part of a lawyer using AI: failing to verify AI-generated output, whether by citing incorrect case law or statutory provisions, or by relaying on erroneous legal conclusions, as well as breaching the duty of professional confidentiality under §§ 43a(2) and 43e BRAO by entering non-anonymised client information into an AI system.⁴⁴

The German Federal Bar Association (BRAK) has likewise taken steps to clarify when lawyers may legitimately use AI as an auxiliary tool. Its AI Guidelines expressly recognise the use of AI as an assistive technology while making clear that this does not alter the lawyer's professional liability. Any AI-generated output must be personally reviewed and approved by the lawyer, who cannot delegate this duty to anyone else (BRAK, 2024, 2.1). The client's consent does not relieve the lawyer of this duty, because clients are mostly unaware of the AI tools used by their lawyers.⁴⁵ Even though lawyers are required to inform their clients about material aspects of their cases, neither the Federal Code for Lawyers nor the German Code of Conduct for Lawyers,⁴⁶ currently imposes a specific professional duty to disclose the use of AI in the provision of legal services. The focus has instead increasingly shifted towards proactive risk management within law firms in order to obtain insurance coverage by demonstrating compliance with the applicable standard of care. The BRAK Guidelines (2024, 5.1) also draw attention to Article 4 of the AI Act, which requires deployers, as defined in Article 3(4) of the AI Act, including lawyers, to ensure an appropriate level of AI literacy among persons dealing with AI systems.⁴⁷ Accordingly, the preparation of instructions for employees in a law firm and their training in the use of AI systems are essential components of responsible AI use.

⁴⁴ Insurers also consider whether such a failure was an isolated incident or reflects a systematic pattern of conduct, as this may influence their assessment of the extent of their liability under the policy. (Lulius, 2026).

⁴⁵ Lawyers cannot, in this context, rely on § 254 BGB concerning *Mitverschulden* (contributory negligence) on the part of the client.

⁴⁶ Berufsordnung in der Fassung vom 01.10.2022.

⁴⁷ Following the entry into force of the EU Digital Omnibus Regulation (Regulation (EU) 2026/1744 of the European Parliament and of the Council of 8 July 2026 amending Regulations (EU) 2024/1689, (EU) 2018/1139 and (EU) 2023/1230 as regards the simplification of the implementation of harmonised rules on artificial intelligence), Article 4 of the AI Act was amended. The obligation to ensure a particular level of AI knowledge was replaced by an obligation to support the development of AI skills among employees. The provision thus shifted from an obligation of result to an obligation of means.

Failure to take these measures may constitute a breach of a lawyer's duty of care and may, in turn, affect the insurer's obligation to provide coverage under a PI policy. Law firms therefore have a strong incentive to familiarise themselves with the operation and limitations of the AI tools they employ, identify the risks associated with their use, and establish appropriate internal risk-management procedures.

6. Conclusion

The use of AI in legal practice is becoming an integral part of contemporary legal work, and its continued expansion is difficult to resist given the pace of technological development and the growing pressure to improve efficiency and reduce the cost of legal services. The adoption of AI, however, does not diminish the fundamental duties that lawyers owe to their clients, including loyalty, confidentiality, and professional competence (Swisher, 2023, p. 832; Gunn-Rosas, 2024, p. 399), and failure to comply with these duties may give rise to professional liability. Lawyers therefore cannot simply rely on advice or recommendations generated by a computer system (Loy, 2022, p. 957).

Against this background, the use of AI adds a new layer of complexity to the risks associated with professional liability.⁴⁸ Lawyers must reconcile two competing demands: the need to adopt AI tools in order to remain efficient and competitive, and their continuing liability to ensure the quality and reliability of the legal services provided.

This makes PI insurance an increasingly important means of protecting lawyers against third-party claims arising from professional errors or omissions connected with the use of AI (Arrow, 1965, pp. 28 *et seq.*).⁴⁹ This development is consistent with the broader trend whereby new technologies introduce new risks, potentially rendering established approaches to risk management obsolete.

Insurers, however, have yet to adopt a consistent approach to AI-related risks in legal practice, which may explain their reluctance to revise existing PI policies. As a result, AI-related losses may fall within areas of silent coverage or overlap with

⁴⁸ A further issue concerns the contracts between law firms and AI providers, which may include broad limitations of contractual liability in the terms of service, particularly where the providers operate under common-law jurisdictions. This may create a 'liability gap' for law firms: although they remain liable to their clients for errors in the legal advice they provide, restrictive liability clauses in their contracts with AI providers may prevent them from recovering the resulting loss from the provider.

⁴⁹ PI insurance is particularly important for small law firms, which may be required to advise on matters outside their areas of expertise and are consequently more exposed to the risk of professional liability (Tilton, 2017, p. 56).

coverage available under other insurance policies, creating considerable scope for disputes. There is also a risk that insurers may eventually exclude certain AI-related risks altogether or interpret concepts such as 'due care' and 'professional services' more restrictively.

The growing use of AI in legal practice will require corresponding adjustments on both sides of the relationship. Lawyers will need to establish clear rules governing the selection, use and supervision of AI tools, while insurers should define more precisely the scope of coverage and the limits of their liability in relation to AI-assisted professional services. A clearer allocation of risks and responsibilities is essential if professional indemnity insurance is to provide meaningful protection to both lawyers and their clients.

At the same time, the emergence of specialised insurance products⁵⁰ suggests that traditional insurance arrangements may not be sufficient to address the full range of consequences arising from AI use. The insurance market is therefore likely to evolve towards a combination of PI coverage and additional forms of protection, including specialised AI insurance. The future of lawyers' PI insurance will thus depend not only on the pace of technological development, but also on the ability of insurers and the legal profession to jointly establish clearer standards governing professional care, liability and the insurability of AI-related risks.

References

- Arrow, K. J. *Aspects of the Theory of Risk Bearing*. 1965. Cambridge: Cambridge University Press.
- Bialkowska, P. 2021. Legal and Ethical Grounds of Professional Secrecy of a Lawyer in Selected European Union Countries and in the United States of America. *Review of European and Comparative Law*, 45(2), pp. 77103. <https://doi.org/10.31743/recl.11456>
- Bundesrechtsanwaltskammer. 2024. *Hinweise zum Einsatz von künstlicher Intelligenz (KI)*. Available at: https://www.brak.de/fileadmin/service/publikationen/Handlungshinweise/BRAK_Leitfaden_mit_Hinweisen_zum_KI-Einsatz_Stand_12_2024.pdf, 15. 8. 2026.
- Ćurković, M. 1997. Osiguranje od odgovornosti pri obavljanju profesionalne delatnosti. *Pravo i porezi*, 5, pp. 3542.
- Čolović, V. & Crnjanski. V. 2025. Kolektivno osiguranje od profesionalne odgovornosti, sa osvrtom na kolektivno osiguranje javnih beležnika i advokata. *Pravo i privreda*, 63(2), pp. 169-187. https://doi.org/10.55836/PiP_25202A

⁵⁰ Munich Re, Swiss Re, the Canadian company Vouch, and Armilla have developed insurance products that, among other features, provide AI developers and operators with risk assessments and performance guarantees.

- Gordanić J. & Bećirović Alić, M. The Fourth Generation of Human Rights in the Digital Age: the Impact of the Internet and Modern Technologies. *Strani pravni život*, 70(2), pp. 221-246. https://doi.org/10.56461/SPZ_1157
- Gunn-Rosas, L. 2024. Beyond the Binary: AI, Ethics, and Liability in the Legal Landscape. *Texas A&M Journal of Property Law*, 10(3), pp. 389-410. <https://doi.org/10.37419/JPL.V10.I3.2>
- Glintić, M. & Bezbradica, A. 2025. Osiguranje kao nosilac finansijske sigurnosti za upotrebu sistema veštačke inteligencije – mit ili stvarnost. In: Čeranić Perišić, J. and Glintić, M. (eds.), *Izazovi prilagođavanja pravnog okvira tehnološkim promenama u digitalnom društvu*. Beograd: Institut za uporedno pravo, pp. 165-185. https://doi.org/10.56461/ZR_25.Digi.10
- Hatfield, M. 2019. Professionally Responsible Artificial Intelligence. *Arizona State Law Journal*, 51(3), pp. 1057-1122.
- Hodge, S. 2023. Revolutionizing Justice: Unleashing the Power of Artificial Intelligence. *SMU Science and Technology Law Review*, 26(2), pp. 217-258. <https://doi.org/10.25172/smustlr.26.2.3>
- Kenneally, E. 2026. Artificial Insurance: Exposing the Coverage, Controls, and Measurement Gaps of Insurance for AI Risks. In: *Proceedings of the AAAI Symposium Series*, 7(1), pp. 690-699. <https://doi.org/10.1609/aaais.v7i1.36957>
- Jovičić, K. & Vukadinović, S. 2018. Ugovorna odgovornost – pravni rezim u uporednom pravu. *Teme*, 42(2), pp. 647-660.
- Leben, S. 2026. *AI, Confidentiality, and the Stratified Legal Profession*. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=6712738, 14. 8. 2026. <https://doi.org/10.2139/ssrn.6712738>
- Jungk, A. 2024. Reicht die Berufshaftpflichtversicherung noch im Hinblick auf KI?. Available at: <https://anwaltsblatt.anwaltverein.de/de/themen/markt-chancen/berufshaftpflichtversicherung-im-hinblick-auf-ki>, 14. 8. 2026.
- Loy, M. 2022. Legal Liability for Artificially Intelligent “Robot Lawyers”. *Le, Mwis & Clark Law Review*, 26(3), pp. 951-972.
- Maute, J. 2014. Facing 21st Century Realities. *Mississippi College Law Review*, 32 (2), pp. 345-374.
- McGinnis, J. & Pearce, R. 2014. The Great Disruption: How Machine Intelligence Will Transform the Role of Lawyers in the Delivery of Legal Services. *Fordham Law Review*, 82(6), pp. 3041-3066.
- Morgan, J. & Hanrahan, P. 2017. Professional Indemnity Insurance: Protecting Clients and Regulating Professionals. *UNSW Law Journal*, 40(1), pp. 353-384. <https://doi.org/10.53637/SVIA9433>
- Necz, D. 2024. Rules over words: Regulation of chatbots in the legal market and ethical considerations. *Hungarian Journal of Legal Studies*, 64(3), pp. 472-485. <https://doi.org/10.1556/2052.2023.00472>
- Petrović Tomić, N. 2012. Osiguranje od profesionalne odgovornosti advokata – srpska verzija novog oblika obaveznog osiguranja. *Tokovi osiguranja – Časopis za teoriju i praksu osiguranja*, 3, pp. 17-40.

- Pierce, N. & Goutos, S. 2023. Why Lawyers Must Responsibly Embrace Generative AI. *Berkeley Business Law Journal*, 21(2), pp. 469-516. <https://doi.org/10.2139/ssrn.4477704>
- Poll, J. 1994. *Die Haftung der freien Berufe zwischen standesrechtlicher Privilegierung und europäischer Orientierung: eine rechtsvergleichende Untersuchung des deutschen Rechtskreises und des Common Law am Beispiel des Rechtsanwalts*. Paderborn: F. Schöningh.
- Sayre, M. 2024. Machines Make Mistakes Too: Planning for AI Liability in Contracting. *Journal of Law, Technology and the Internet*, 15(2), pp. 357-415. <https://doi.org/10.2139/ssrn.4904407>
- Schnyder, M. 2007. Überblick über den Deckungsbereich der Berufshaftpflichtversicherung für Rechtsanwälte. *Anwaltsrevue*, 4, pp. 151-155.
- Shamov, O. 2025. Responsibility for Errors of Generative AI in Legal Practice: Analysis of "Hallucination" Cases and Professional Ethics of Lawyers. *Visnik Nacional'nogo universitetu "Lvivska politehnika"*, 48(4), pp. 531-537. <https://doi.org/10.23939/law2025.48.531>
- Silver, C. 1996. Professional Liability Insurance as Insurance and as Lawyer Regulation: Response to Davis. *Fordham Law Review*, 65(1), pp. 233-245.
- Snell, C. 2025. Artificial Incompetence? Unpacking AI's Shortcomings in Contract Drafting and Negotiation. *Southern California Law Review*, 99, 239-290.
- Surden, H. 2024. ChatGPT, Large Language Models, and Law. *Fordham Law Review*, 92(5), pp. 1941-1972.
- Swisher, K. 2023. The Right to (Human) Counsel: Real Responsibility for Artificial Intelligence. *Arizona Legal Studies Discussion Paper*, 24(2), pp. 823-862.
- Szpyt, K. 2021. LegalTech Insurance In: Szostek, D. and Zalucki, M. (eds.), *Legal Tech: Information Technology Tools in the Administration of Justice*. Baden-Baden: Nomos Verlagsgesellschaft mbH & Co. KG, pp. 299-314. <https://doi.org/10.5771/9783748922834-299>
- Tasić, T. 2026. Balansiranje između inovacija i zaštite podataka o ličnosti na primeru chatgpt-a. *Strani pravni život*, 70(1), pp. 21-38. https://doi.org/10.56461/SPZ_1143
- Tilton, M. W. 2017. An Insider's Guide to Lawyers Professional Liability Insurance. An Insider's Guide to Lawyers Professional Liability Insurance. *The Brief*, 46(2), pp. 56-59.
- Warraich, M. K. Z. 2025. Ethical Governance of Artificial Intelligence Hallucinations in Legal Practice. *Social Sciences Spectrum*, 4(2), pp. 603-615. <https://doi.org/10.71085/ss.04.02.297>

Internet Sources

- ABA. 2025. *The Legal Industry Report 2025*. Available at: https://www.americanbar.org/groups/law_practice/resources/law-technology-today/2025/the-legal-industry-report-2025/, 20. 7. 2026.

- Agent Insured. 2026. AXA, Allianz, Zurich: where the tier-one European insurers stand on AI liability in 2026. Available at: <https://agentinsured.eu/articles/axa-allianz-zurich-tier1-european-insurer-ai-stance-2026>, 5. 6. 2026.
- AP News. 2023. Lawyers submitted bogus case law created by ChatGPT. A judge fined them \$5,000. Available at: <https://apnews.com/article/artificial-intelligence-chatgpt-fake-case-lawyers-d6ae9fa79d0542db9e1455397aef381c>, 15. 7. 2026.
- Artificial Lawyer. 2025. *Vals Legal AI Research Eval – The Aftermath*. Available at: <https://www.artificiallawyer.com/2025/10/20/vals-legal-ai-research-eval-the-aftermath/>, 20. 7. 2026.
- Beck-Noxtua, 2026. Available at: <https://www.beck-noxtua.de/en/>, 20. 7. 2026.
- CCBE. 2026. Available at: https://www.ccbbe.eu/documents/professional-regulations/?utm_source=chatgpt.com#panel-712-0, 10. 8. 2026.
- CIO. 2025. *10 famous AI disasters*. Available at: <https://www.cio.com/article/190888/5-famous-analytics-and-ai-disasters.html>, 15. 7. 2026.
- GC AI. 2026. *The 10 Best AI Tools for Legal Research in 2026*. Available at: <https://gc.ai/blog/best-ai-tools-for-legal-research>, 8. 8. 2026.
- Gizmodo. 2023. *Oops: Samsung Employees Leaked Confidential Data to ChatGPT*. Available at: gizmodo.com/chatgpt-ai-samsung-employeesleak-data-1850307376, 31. 7. 2026.
- Insurance Journal. 2024. *Underwriters' Dilemma: Is AI a Cyber or Tech E&O Risk?* Available at: <https://www.insurancejournal.com/magazines/mag-features/2024/04/01/766850.htm>, 22. 10. 2025.
- Lulius. 2026. *Berufshaftpflicht und KI-Nutzung: Was Ihre Versicherung wirklich abdeckt*. Available at: <https://www.lulius.ai/blog/berufshaftpflicht-ki-kanzlei>, 8. 8. 2026.
- LMA. 2026. *AI Adoption Toolkit*. Available at: <https://lmalloyds.com/ai-adoption-toolkit/>, 20. 7. 2026.
- Reinsurance News. 2025. *Chaucer and Armilla launch new AI liability insurance product*. Available at: <https://www.reinsurancene.ws/chaucer-and-armilla-launch-new-ai-liability-insurance-product/>, 27. 9. 2025.
- The Guardian. 2016. Available at: <https://www.theguardian.com/technology/2016/jun/28/chatbot-ai-lawyer-donotpay-parking-tickets-london-new-york>, 23 7. 2026.
- The Guardian. 2025b. Lawyer caught using AI-generated false citations in court case penalised in Australian first. Available at: <https://www.theguardian.com/law/2025/sep/03/lawyer-caught-using-ai-generated-false-citations-in-court-case-penalised-in-australian-first>, 8. 8. 2026.
- Thomson Reuters Institute, 2023. Available at: <https://www.thomsonreuters.com/en-us/po-sts/wp-content/uploads/sites/20/2023/04/2023-Chat-GPT-Generative-AI-in-Law-Firms.pdf>, 29. 7. 2026.