



INSURANCE AND INDEMNITY 101

Artificial Intelligence versus an Experienced Insurance Attorney

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Don't Confuse AI Search with Legal Advice: Why AI Can't Replace an Experienced Insurance Attorney

In today's digital world, artificial intelligence (AI) tools are everywhere. Many homeowners, business owners, and policyholders turn to AI chatbots for quick answers about insurance coverage, insurance claims, or legal questions about insurance law. While AI can provide helpful general information in limited circumstances, it is not a substitute for legal advice from an experienced insurance attorney. Mistaking AI guidance for professional counsel can lead to costly mistakes when filing insurance claims or dealing with insurers.

This article explains why AI cannot provide legal advice, highlights common pitfalls policyholders face, and offers practical steps to protect your insurance rights.

Why AI Cannot Give Legal Advice

AI tools, including ChatGPT, Bing AI, Google Gemini, Microsoft Copilot, Claude (Anthropic), Perplexity AI, and Grok (xAI), can generate responses based on patterns in data, but they cannot:

- Analyze your personal or commercial insurance policy in detail
- Interpret complex legal language specific to your jurisdiction
- Provide advice tailored to your unique situation
- Represent you in disputes with insurance companies
- Represent you in court when suing an insurance company

Only an experienced insurance attorney can review your policy, evaluate coverage, and guide you on your legal options. Using AI as a sole source of guidance can create misunderstandings or lead to denied claims.

Common AI Misunderstandings About Insurance Coverage

Many policyholders assume AI can fully explain insurance coverage, but it often provides only general information. AI cannot review your specific policy, identify exclusions, or confirm whether a particular loss is covered.

Relying solely on AI can lead to mistakes, such as misunderstanding coverage or missing critical claim requirements. This often causes confusion, such as:

1. **Coverage assumptions** – AI may generalize insurance terms but cannot confirm if your policy includes specific protections.
2. **Policy exclusions** – AI might not detect subtle exclusions in your policy, which insurers can use to limit or deny claims.
3. **Claim procedures** – Filing a claim incorrectly can reduce your reimbursement or void coverage. AI can suggest steps, but these may not match your insurer's requirements.

Example: A homeowner asks AI if flood damage is covered. AI responds based on general knowledge: "Some homeowners insurance includes flood coverage." In reality, most standard policies exclude flood damage, and only a flood policy or endorsement provides coverage.

How Insurance Coverage Appears in Your Policy

Insurance coverage is typically structured as:

- **Declarations Page** – Summarizes your coverages, limits, and deductibles
- **Insuring Agreement** – Explains what your insurer promises to cover
- **Exclusions** – Lists perils not covered
- **Conditions** – Details requirements to maintain coverage (e.g., notice deadlines, documentations, submitting to an examination under oath, etc.)

AI can explain these sections generally, but its explanation should not be construed as legal advice. AI cannot tell you whether your specific incident is covered or whether you have complied with the policy conditions.

How Insurers Often Limit or Deny Coverage

Insurance companies often deny or reduce claims based on:

1. **Policy exclusions** – Damage or events not covered in the policy
2. **Late notice or improper filing** – Missing deadlines or submitting incomplete forms
3. **Documentation gaps** – Lack of evidence proving loss or damage
4. **Policy misinterpretation** – Insurers may argue that your claim falls outside coverage

Relying solely on AI increases the risk of common AI misunderstandings about insurance coverage, which can lead to denied claims.

Practical Mistakes to Avoid When Using AI for Legal Questions

Here are the most common mistakes policyholders make when relying on AI:

1. **Assuming AI is a licensed attorney** – AI cannot represent you or provide legal advice.
2. **Skipping policy review** – Blindly following AI guidance without reading your policy can lead to coverage mistakes and claim denials.
3. **Ignoring deadlines** – AI might not highlight critical timelines in your claim process.
4. **Overlooking exclusions** – AI cannot detect nuanced exclusions that insurers exploit.
5. **Sharing sensitive information** – Inputting policy numbers or personal details into AI tools may compromise privacy.

Tip: Do not Use AI except for basic explanations, and always verify coverage details with an experienced insurance attorney.

About the Author

Rabih Hamawi is a past chairperson of the Insurance and Indemnity Law Section. He is a principal at the Law Office of Rabih Hamawi, P.C. and focuses on representing policyholders in fire, property damage, and insurance-coverage disputes with insurers and in errors-and-omissions cases against insurance agents. He has extensive expertise in insurance coverage and is a licensed property and casualty, life, accident, and health insurance producer and counselor (LIC). He earned the Chartered Property and Casualty Underwriter (CPCU), Certified Insurance Counselor (CIC), and Certified Risk Manager (CRM) designations. He is a frequent author on insurance and indemnity topics. His email address is rh@hamawilaw.com.