



BONUS TOOLKIT · THE AI FORWARD BROKER

Broker AI Cover Gap Worksheet

Map your book to the ISO generative-AI exclusions (CG 40 47, CG 40 48, CG 35 08) and the WR Berkley absolute clause (PC 51380). Run it once across your top commercial accounts, then before every renewal.

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Making AI practical for business



WORKING DOCUMENT · BROKER MDs

How this worksheet works

A working document for broker MDs. Run it once across your top commercial accounts. Update it before every renewal cycle and whenever a carrier changes wording. Keep it where you can reach it the day a client asks "is my AI exposure actually covered".

Why this exists

A standard wave of AI exclusions has moved through the US commercial market in 2026, and it sets the wording that London follows.

The Insurance Services Office, the US standards body owned by Verisk, released three generative-AI exclusion endorsements for Commercial General Liability, effective 1 January 2026. CG 40 47 is the broad form. CG 40 48 is the narrow one. CG 35 08 hits products and completed operations. On top of those, WR Berkley filed PC 51380, an absolute AI exclusion for management and professional lines, directors and officers, errors and omissions, and fiduciary.

By April 2026 an analyst review of thousands of regulatory filings found state regulators had cleared more than 80 per cent of the AI exclusion filings lodged by subsidiaries of Berkshire Hathaway, Chubb, Travelers and AIG. The exclusions attach at renewal, one carrier at a time. A policy in force from 2025 may not carry them. Its 2026 renewal very likely will.

This is a US story today. It will not stay one. ISO and Verisk wordings set the template the London market and UK carriers adapt, and the same "arising out of artificial intelligence" language is already appearing in specialty and professional lines placed through Lloyd's. Treat the US wave as the leading indicator, not someone else's problem.

For a broker that means three jobs before the next renewal lands:

- Sweep the wording on every commercial account, before the indication, not at the binder.
- Tell the client in writing that their cover has been rewritten, before they find out at claim.
- Know the affirmative market well enough to place into it when the gap is real.

This worksheet closes those three gaps account by account. Allow two to three working days to run it properly across your top accounts. A quick skim of the schedule will not catch a proprietary clause buried in the policy body.

How to use it

- One pass with the account handler, the technical or compliance lead, and whoever owns your carrier relationships.
- Start with your top 20 commercial accounts by premium, then anything renewing July, August or September first.
- Be specific. Vague answers fail. Name the account, name the renewal month, name the carrier, name the form.



- Map the account and the line, not the client's opinion of their cover. The unit of work here is the policy wording.
- Where you cannot answer, write "unknown" and add it to the action log. "Unknown" is itself a finding.
- Review before each renewal cycle and the moment a carrier issues new wording.

Key terms

The terms used through this worksheet, in the order they matter.

Term	Stands for	What it means here
ISO	Insurance Services Office	The US standards body, owned by Verisk, that publishes the policy forms most US commercial carriers use. The source of the three CGL exclusions.
CGL	Commercial General Liability	The foundational liability cover for a commercial client. The first line the exclusions hit. The UK equivalent sits inside commercial combined and public or products liability wordings.
Coverage A	n/a	The CGL part covering bodily injury and property damage.
Coverage B	n/a	The CGL part covering personal and advertising injury, including defamation, privacy and advertising claims. The first thing AI-generated content puts at risk.
Products / completed ops	Products and completed operations	The CGL part covering harm caused by a product or a finished job after it leaves your client's hands. Caught by CG 35 08.
CG 40 47	n/a	The broad ISO exclusion. Removes Coverage A and Coverage B for anything arising out of generative AI. The one that shuts the door.
CG 40 48	n/a	The narrow ISO exclusion. Removes Coverage B only. Bodily injury and property damage stay.
CG 35 08	n/a	The products and completed operations ISO exclusion. Removes bodily injury and property damage in that part for AI-linked claims.
PC 51380	n/a	WR Berkley's absolute AI exclusion for D&O, E&O and fiduciary lines. Excludes any claim based upon, arising out of, or attributable to the use, deployment or development of AI.
D&O	Directors and officers	Management liability cover for the board. A target of the Berkley clause.
E&O	Errors and omissions	Professional liability or professional indemnity cover. A target of the Berkley clause.
"Arising out of"	n/a	The trigger phrase in all of these forms. In coverage law it needs only a causal connection, not direct causation, so the exclusion reaches far wider than a claim "about" AI.
Silent AI	n/a	Cover that neither grants nor excludes AI, leaving the exposure assumed. The era the new exclusions are ending.
Affirmative cover	n/a	A policy or endorsement that expressly insures AI risk, rather than staying silent or excluding it.
Absolute exclusion	n/a	An exclusion drawn so broadly it removes any claim with a connection to AI, with no carve-back for incidental use. The Berkley PC 51380 model.



Term	Stands for	What it means here
Sublimit	n/a	A cap inside the policy that limits AI-related claims to a fraction of the full limit rather than excluding them outright.
Endorsement schedule	n/a	The list of every form attached to a policy, usually on the first page of the declarations. Where you search for the form numbers.



01

SECTION 1

The account inventory

Before you can close a gap, you need to know which accounts are exposed and when they renew.

List your top commercial accounts. Put the ones renewing July, August or September at the top, because the exclusion wave hits at renewal and those are the desks it reaches first. For each, note the lines you place and whether the client uses AI anywhere a claim could reach.

#	Commercial account	Renewal month	Lines placed (GL / D&O / E&O)	Carrier	AI in customer-facing work? (Y/N)
1					
2					
3					
4					
5					

Where AI exposure usually hides, because these are the clients who think they are clear and are not:

- Marketing or agency work using generative tools for copy, images or video (Coverage B exposure).
- Any client with a customer-facing chatbot or virtual agent.
- Professional services using AI in advice, drafting or design (E&O exposure).
- Software and product firms embedding AI in what they ship (products and completed ops exposure).
- Boards making strategic or disclosure decisions informed by AI (D&O exposure).
- Recruitment, HR or lending decisions run through automated tools.

A note on lines. The three ISO forms hit general liability. The Berkley PC 51380 clause hits D&O and E&O. They are separate streams. An account can be clear on one and exposed on the other, so check every line you place, not just the liability policy.



02

SECTION 2

The wording sweep

This is the heart of the document. For each account and each line, find out whether an AI exclusion is already on the wording, which one, and how wide it reaches. Do it before you give the indication, not at the binder.

Account	Line	AI exclusion? (Y/N/unknown)	Which form?	Broad / narrow / absolute	Reviewed before indication? (Y/N)

What each form actually removes

CG 40 47, the broad form. Removes Coverage A and Coverage B for any claim arising out of generative AI. Bodily injury, property damage, personal and advertising injury, all gone where AI is in the causal chain. This is the one that guts the policy for an AI-using client.

CG 40 48, the narrow form. Removes Coverage B only. Personal and advertising injury goes, which means defamation, privacy and advertising claims from AI-generated content. Bodily injury and property damage stay. Less severe, still a real gap for any client producing AI content.

CG 35 08, products and completed ops. Removes bodily injury and property damage in that coverage part for AI-linked claims. The one for clients who ship a product or complete a job with AI inside it. Easy to miss because the exposure lands after the work is done.

PC 51380, the absolute clause. Berkley's management and professional lines exclusion. Excludes any D&O or E&O claim based upon, arising out of, or attributable to AI. It enumerates AI-generated content, failure to detect AI content, inadequate AI policies or training, breach of AI duties, AI-integrated products, and chatbot or virtual-agent representations. If your client's D&O or E&O carrier has adopted this or equivalent language, board-level and professional AI liability is uninsured.

How to find it in the wording

- Pull the declarations page and read the endorsement schedule. It lists every form attached.
- Search the policy PDF for the form numbers: CG 40 47, CG 40 48, CG 35 08, PC 51380.
- If none appear, search for the phrase "generative artificial intelligence" or "artificial intelligence". A carrier may have used proprietary language instead of the ISO form.
- Read the exclusions section of the base wording. Some carriers embed the exclusion in the policy body rather than a separate endorsement.
- If no form number and no AI phrasing appears anywhere, the policy is silent on AI. That is not the same as covered. Note it as "silent" and treat it as a gap to address at renewal.

Materiality filter

Rank each account so you spend your time where the exposure is real:



- High: AI exclusion present on a line the client genuinely relies on, or an AI-heavy client renewing in the next 90 days. Client letter and placement review both urgent.
- Medium: exclusion present but the client's AI use is light, or renewal is further out. Flag and schedule.
- Low: no AI exposure of substance, or silent wording on a non-AI client. Light-touch note.



SECTION 3

03

The three-gap map per account

For each exposed account from Section 2, work the three gaps your renewal process has to close. This mirrors the three jobs: the wording sweep, the client letter, the affirmative placement option.

Account	Gap 1: wording sweep done & recorded?	Gap 2: client letter sent, signed?	Gap 3: affirmative option? (HSB / Armilla / Testudo / aiSure / none)	Evidence ref

What “good” looks like in each gap

Gap 1, the wording sweep. Section 2 completed for the account, dated, and filed. Not a memory of having looked. A recorded review per line, before the indication went out.

Gap 2, the client letter. A one-page note from the broker to the client, in writing, stating plainly that an AI exclusion has been added or is coming at renewal, which line it affects, and what it means for a claim. Signed off by the principal or the responsible senior manager. This is the document that proves you told them before they found out at claim. “We mentioned it on a call” is not this.

Gap 3, the affirmative option. Evidence that you have identified whether an affirmative AI cover exists for this client’s exposure, and either placed it, quoted it, or recorded that none fits. The affirmative market is real but young, and most of it sits in channels brokers have not yet opened. Knowing the route is the differentiator.

If any cell reads “not yet” or “we have this for one account but nothing systematic”, that is a gap. Log it.

The affirmative market, as it stands

A short, current map so Gap 3 is answerable rather than aspirational. This moves quickly, so verify availability for the specific client and territory before you rely on it.

Provider	Capital behind it	Shape of cover
HSB AI Liability Insurance	Hartford Steam Boiler, a Munich Re subsidiary	SME product launched 18 March 2026. Bodily injury, property damage and advertising injury from AI. Distributed through carrier partners, not direct.
Armilla	Lloyd’s, Chaucer syndicate and Axis	Affirmative AI liability, limits reported up to 25 million dollars. AI hallucination and professional failures named in scope.
Testudo	Lloyd’s-backed	Standalone affirmative AI liability, surplus lines.
Munich Re aiSure	Munich Re	Performance-warranty style cover, including a general liability variant for bias and discrimination, most relevant for AI developers.



Provider	Capital behind it	Shape of cover
Counterpart, Coalition, Hiscox, Vouch	Various	Affirmative AI endorsements sitting inside professional liability, cyber or tech E&O programmes.

A note on the UK and London market. HSB's product and most standalone capacity are US-launched today. The Lloyd's-backed names, Armilla and Testudo, are the ones a UK broker can most realistically reach now, and Munich Re's appetite is global. Watch for the same affirmative wordings to surface in the London market through 2026 as the exclusions push exposure off the standard product.



04

SECTION 4

Accountability

Someone senior must own the response to the exclusion wave. Named individual, not a function.

Field	Detail
Named owner of the AI cover gap response	
Date appointed	
Sign-off recorded where (board minute, governance log)	
Deputy or cover	
Reporting line to the board (frequency)	
Last board or management paper on AI exclusion exposure (date and reference)	

Roles below the owner

Role	Named person	What they own
Wording-sweep owner		Section 2 across every commercial account, before each indication
Client letter signatory		The written notice to clients, the sign-off, the file copy
Affirmative-market owner		The carrier and MGA relationships, the placement routes for AI cover
Renewal coordinator		Sequencing the sweep to the July to September renewal calendar
Training owner		Account handler awareness, so the sweep happens by default not by reminder

Documents the owner should be able to produce

- The completed account inventory and wording sweep (Sections 1 and 2).
- A signed client letter for every exposed account (Gap 2).
- A record of the affirmative option considered per exposed account (Gap 3).
- A board or management paper on the exclusion exposure across the book.
- The action log below, current and owned.

Tick what exists. Anything unticked is a gap.



SECTION 5

05

The client file

The output of this worksheet is a file you can produce per account the day a client questions their cover, a claim is declined, or your PI insurer asks how you handled the exclusion wave. For each exposed account it should contain, in this order:

1. One-page summary: lines placed, which exclusions are present, renewal month, owner, last review date.
2. The wording sweep for the account (Section 2).
3. A copy of the signed client letter (Gap 2).
4. The affirmative option considered and the outcome (Gap 3).
5. The action log entries for the account.
6. Date and signature of the responsible senior person.

Refresh this file before each renewal and whenever a carrier changes wording.

The reason this file matters to you, not just the client. When a client suffers an uninsured AI loss and asks why their broker did not warn them, the signed letter is the difference between a hard conversation and a professional negligence claim against your own E&O. The file protects the broker as much as the client.



SECTION 6

06

Action log

Every gap from Sections 1 to 4 lands here.

Gap	Account	Owner	Action required	Target date	Status



07

SECTION 7

Self-score

Score each pillar honestly out of 10. The first time most brokers run this across the book, the score is lower than they expected. That is the point.

Pillar	Score 0 to 10	Evidence	Top priority to fix
Account inventory and renewal calendar complete			
Wording sweep run on every commercial account			
Client letter sent and signed for every exposed account			
Affirmative placement route identified and reachable			
Accountability and the client file ready per account			

Total: ___ / 50

- 40 to 50: you can answer a client question and defend your own position today.
- 25 to 39: you have started. You need a fortnight to get ahead of the renewal wave.
- Below 25: this is the work for the next 90 days. Start with the accounts renewing July to September.



SECTION 8

08

The next 90 days

A working sequence, not a project plan. The July to September renewal wave is the date to get ahead of, not chase.

Days 1 to 14

- Build the account inventory, top 20 by premium, July to September renewals first.
- Appoint the owner and minute it.
- Run the wording sweep on the accounts renewing first.

Days 15 to 45

- Finish the wording sweep across the book.
- Draft the standard client letter and the per-account version. Get the sign-off route agreed.
- Send the client letter to every exposed account renewing in the next 90 days.

Days 46 to 75

- Open the affirmative-market routes. Have a real conversation with at least one Lloyd's-backed AI cover provider.
- Quote or place affirmative cover for the highest-exposure accounts.
- Brief the account handlers so the sweep becomes part of every renewal by default.

Days 76 to 90

- Pull the client file together per exposed account.
- Internal sign-off by the responsible senior person.
- Set the per-renewal refresh and the trigger to re-sweep when a carrier changes wording.



ABOUT THIS WORKSHEET

About this worksheet

Built to map to the ISO generative-AI exclusions (CG 40 47, CG 40 48, CG 35 08) and the WR Berkley absolute clause (PC 51380), the wording wave that reset the US commercial market in 2026 and sets the template the London market follows. It covers the three jobs a broker now owes every commercial client: sweep the wording, write to the client, and know where the affirmative cover is.

Reviewed before every renewal. Refreshed whenever a carrier changes wording.

If you want a working session to run this across your book alongside your technical lead, book a strategy call.

Prepared for general insurance brokers. Not coverage, legal or regulatory advice. The ISO exclusion endorsements and carrier-specific clauses described here are US market forms whose adoption is rolling and carrier-specific; the affirmative market is young and moving. Verify the current wording and availability for the specific client, line and territory with the carrier before you rely on it. Use this alongside your compliance function and your own professional indemnity arrangements.