

AI and Insurance Law: Legal Challenges, Compliance, and Industry Transformation
UNIVERSITY OF FLORIDA LEVIN COLLEGE OF LAW
FALL 2025 LAW 6930 1 CREDIT

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MEETING TIME: This is a compressed course, spanning 1 week. We will meet:

- Monday, August 11th to Thursday, August 14th, 2025 from 9:30 a.m. to 12:30 p.m.
- Friday, August 15th, 2025 from 9:30 a.m. to 11:00 a.m.

LOCATION: HH 285 D

OFFICE HOURS: Available for the first half-hour following each class M-W or by appointment

I also encourage you to call or email me if you are having difficulties with, or simply want to clarify your understanding of, any of the materials covered in the reading or in class. My number is (305) 358-6031 and my email is tbustamante@cozen.com.

COURSE DESCRIPTION AND OBJECTIVES:

This course explores the intersection of artificial intelligence (AI) and insurance law, examining how AI is reshaping claims processing, underwriting, fraud detection, and legal practice. Students will analyze the legal and regulatory challenges AI presents, including fairness, transparency, and compliance concerns. The course will incorporate legal simulations and discussions where students assume roles as regulators, insurers, or advocates to better understand real-world applications.

STUDENT LEARNING OUTCOMES:

At the end of this course, students should be able to demonstrate an understanding of:

- How AI is transforming the insurance industry.
- How insurers and their legal teams leverage AI for claims processing, fraud detection, and defense strategies.
- How AI is assisting plaintiff firms, including AI-driven demand generation.
- Regulatory and ethical challenges surrounding AI-driven decision-making in insurance.
- Legal and industry trends regarding AI adoption and pushback from policymakers and stakeholders.

COURSE POLICIES

Attendance: This is a compressed course. Attendance in class is required by both the ABA and the Law School. Attendance will be taken at each class meeting and is mandatory. A student who fails to meet the attendance requirement will be dropped from the course. The law school's policy on attendance can be found [here](#).

Etiquette: Communication Courtesy: All members of the class are expected to follow rules of common courtesy in all email messages, threaded discussions, chats and in class discussions. Please do not disparage or discourage others' views and participation.

Readings: All readings and podcasts are required unless otherwise stated. These readings are essential to promoting a strong and thorough classroom discussion.

Guest Speakers: All discussions with guest speakers will be held under Chatham House rules (off the record). Discussion will be moderated by the instructor with the opportunity for pre-submitted questions and brief student Q&A.

Participation and Class Activities: This is designed to be an interactive and informal course where students will need to be engaged and active participants in the classroom discussion. Students are encouraged to reference other sources than those assigned.

Final Exam: The final exam will be a 7-10 page paper, double-spaced & 12pt font. Please find the detailed instructions for this assignment at the end of the Syllabus. The paper is to be submitted by 9 AM on Monday Aug 18th.

ABA Out-Of-Class Hours Requirements: ABA Standard 310 requires that students devote 120 minutes to out-of-class preparation for every "classroom hour" of in-class instruction. Our weekly class time is approximately 15 hours, requiring at least 30 hours of preparation outside of class, including reading the assigned materials and completing the at-home exercises and assignments. Please note that due to the compressed nature of this course, the bulk of your preparation must be done in the days before the start of class.

UNIVERSITY POLICIES

Observance of Religious Holidays

UF Law respects students' [observance of religious holidays](#).

- Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith.
- Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence.
- Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances.

University Policy on Accommodating Students with Disabilities

Students requesting accommodation for disabilities should register first with the Office of the Dean of Students (<https://www.dso.ufl.edu/drc/>). The Office of the Dean of Students will provide documentation to the student who then must provide this documentation to the instructor when requesting accommodation. You must submit this documentation prior to submitting assignments or taking quizzes or exams. Because accommodations are not retroactive, students should contact the Office of the Dean of Students as soon as possible in the semester for which they are seeking accommodation.

Compliance with UF Honor Code:

Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand the UF Law Honor Code located [here](#). The UF Law Honor Code also prohibits use of artificial intelligence, including, but not limited to, ChatGPT and Harvey, to assist in completing

quizzes, exams, papers, or other assessments.

Online Course Evaluations: Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at <https://gatorevals.aa.ufl.edu/students/>. Students will be notified when the evaluation period opens and can complete evaluations through the email they receive from GatorEvals in their Canvas course menu under GatorEvals or via <https://ufl.bluera.com/ufl/>. Summaries of course evaluation results are available to students at <https://gatorevals.aa.ufl.edu/public-results/>.

GRADING POLICIES

Grading: This class is graded. You will be graded based on class participation and a final paper. 70% of your grade is allocated to the final paper due on August 18th. The remaining 30% of the class grade includes participation, which is designed to spur active yet respectful discussion.

The Levin College of Law's mean and mandatory distributions are posted on the College's website and this class adheres to that posted grading policy. The following chart describes the specific letter grade/grade point equivalent in place:

| Letter Grade | Point Equivalent |
|------------------|------------------|
| A (Excellent) | 4.0 |
| A- | 3.67 |
| B+ | 3.33 |
| B | 3.0 |
| B- | 2.67 |
| C+ | 2.33 |
| C (Satisfactory) | 2.0 |
| C- | 1.67 |
| D+ | 1.33 |
| D (Poor) | 1.0 |
| D- | 0.67 |
| E (Failure) | 0.0 |

The law school grading policy is available [here](#).

EXAM DELAYS AND ACCOMMODATIONS:

The law school policy on exam delays and accommodations can be found [here](#).

RECORDING OF CLASS DISCUSSIONS

Students are allowed to record video or audio of class lectures. However, the purposes for which these recordings may be used are strictly controlled. The only allowable purposes are (1) for personal educational use, (2) in connection with a complaint to the university, or (3) as evidence in, or in preparation for, a criminal or civil proceeding. All other purposes are prohibited. Specifically, students may not publish recorded lectures without the written consent of the instructor. A “class lecture” is an educational presentation intended to inform or teach enrolled students about a particular subject, including any instructor-led discussions that form part of the presentation, and delivered by any instructor hired or appointed by the University, or by a guest instructor, as part of a University of Florida course. A class lecture does not include lab sessions, student presentations, clinical presentations such as patient history, academic exercises involving solely student participation, assessments (quizzes, tests, exams), field trips, private conversations between students in the class or between a student and the faculty or guest lecturer during a class session. Publication without permission of the instructor is prohibited. To “publish” means to share, transmit, circulate, distribute, or provide access to a recording, regardless of format or medium, to another person (or persons), including but not limited to another student within the same class section. Additionally, a recording, or transcript of a recording, is considered published if it is posted on or uploaded to, in whole or in part, any media platform, including but not limited to social media, book, magazine, newspaper, leaflet, or third party note/tutoring services. A student who publishes a recording without written consent may be subject to a civil cause of action instituted by a person injured by the publication and/or discipline under UF Regulation 4.040 Student Honor Code and Student Conduct Code.

PRE-COURSE READING

- [ABA - Artificial Intelligence & Insurance pt 1 \(2024\)](#)
- Thomson Reuters - *Future of Professionals Report: AI-powered technology & the forces shaping professional work* (2024)

COURSE SCHEDULE

| Date | Topic | Focus Areas | Readings |
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| 8/11 | Introduction to AI in Insurance Law | <ul style="list-style-type: none"> • Overview of AI's role in the insurance industry • AI-driven underwriting, fraud detection, and claims processing • Case study Discussion: Lemonade | <ul style="list-style-type: none"> • ABA - AI Updates in Insurance Industry (2024) → 3 pages • NAIC - Artificial Intelligence in Insurance White Paper (2021) → 20 pages • McKinsey & Company - Insurance 2030: The impact of AI on the future of insurance (2019) → 8 pages • Lemonade Insurance Podcast - Is AI really more effective than humans • Lemonade Blog - AI Eats Insurance → 3 pages |
| 8/12 | AI Trends Helping Lawyers Defending Insurers | <ul style="list-style-type: none"> • AI-driven litigation risk assessment and predictive analytics • AI-assisted legal research, case strategy development, and prompt engineering • Guest Speaker: Andrew Woolf, VP of Strategy & Innovation @ Cozen O'Connor, (<i>Yale Law '05</i>) • Companies to discuss: Lex Machina, Casetext, Westlaw Edge | <ul style="list-style-type: none"> • Lex Machina Report - <i>AI-Powered Legal Analytics in Insurance Litigation</i> (2022) → 15 pages • Casetext White Paper - <i>How AI is Changing Insurance Defense Litigation</i> (2023) → 10 pages |
| 8/13 | AI Trends Assisting Plaintiff Firms (Including AI Demand Generation) | <ul style="list-style-type: none"> • AI-powered legal automation and case assessment • AI-driven demand generation • Guest Speaker: Peter B. Eckhoff, MBA, Director of Operations (<i>Cornell '18</i>) • Companies to discuss: EvenUp, Clio, Legalist, Precedent | <ul style="list-style-type: none"> • EvenUp AI Report - AI in Personal Injury Law: What you need to know → 7 pages • Even Up's AI Overpromise: Legal Tech Startup Faces Scrutiny (2024) → 7 pages • Clio Legal Trends Report - AI & Legal Practice: Trends in Plaintiff and Defense Firms (2023) → 12 pages |
| 8/14 | General Receptivity and Legal Pushback on AI in Insurance Law | <ul style="list-style-type: none"> • Regulatory challenges and evolving AI governance frameworks • Ethical and transparency concerns in AI adoption • Case studies of AI-driven insurance litigation | <ul style="list-style-type: none"> • Federal Trade Commission (FTC) - <i>AI and Consumer Protection</i> (2023) → 20 pages • U.S. Department of Treasury - <i>AI in Insurance: Risk, Bias, and Regulatory Frameworks</i> (2022) → 18 pages • Locke Lord QuickStudy: Artificial Intelligence Regulation in the Insurance Industry – 2023 a Year in Review → 5 pages • 4 Regulatory Trends for AI use in Insurance for 2024 → 4 pages |

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| 8/15 | <p>Policymaker Discussion and Wrap-Up</p> | <ul style="list-style-type: none"> Final reflections on the future of AI in insurance law | <ul style="list-style-type: none"> Geneva Association - Regulation of AI in Insurance: Balancing Consumer Protection & Innovation (2024) → 36 pages |
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Disclaimer: *This syllabus represents my current plans and objectives. Those plans may need to change to enhance the class learning opportunity. Such changes, communicated clearly, are not unusual and should be expected.*

FINAL EXAM DETAILS:

Submission Date: 9 AM, Monday August 18th

Format: 7- 10 Pages, 12pt font, double-spaced.

Prompt Options (*Choose One or Propose Your Own*)

1. AI in Insurance Underwriting: Risk, Bias, and Regulation
 - a. Examine how AI is transforming risk assessment in insurance.
 - b. Discuss issues of bias in AI-driven underwriting models.
 - c. Propose regulatory solutions to balance efficiency and fairness.
2. Legal Defensibility of AI-Driven Insurance Decisions
 - a. Analyze the legal risks insurers face when using AI for claims denials or fraud detection.
 - b. Discuss due process concerns and recent court challenges.
 - c. Propose guidelines for insurers to ensure AI decisions are legally defensible.
3. AI Demand Generation and the Future of Plaintiff Firms
 - a. Evaluate how AI-powered tools like EvenUp and Clio are reshaping litigation strategies.
 - b. Discuss the ethical and procedural implications of automated demand letters.
 - c. Predict how AI will continue to impact plaintiff firm operations and case settlements.
4. The Black Box Problem in AI-Driven Insurance Practices
 - a. Explore the transparency challenges of AI decision-making.
 - b. Discuss how regulators and courts are addressing the issue.
 - c. Recommend policy approaches to increase explainability in AI-based insurance models.
5. AI Fraud Detection in Insurance: Legal and Ethical Challenges
 - a. Examine the role of AI in preventing fraudulent claims.
 - b. Analyze privacy and fairness concerns in AI-driven fraud detection.
 - c. Assess whether AI-based fraud detection aligns with existing consumer protection laws.
6. Comparing AI Insurance Regulation Across Jurisdictions
 - a. Analyze how the U.S., EU, and other global regulators are approaching AI in insurance law.
 - b. Compare regulatory frameworks, enforcement mechanisms, and policy trends.
 - c. Recommend best practices for harmonizing global AI insurance regulations.

Paper Structure

1. Introduction

- a. Define the issue, why it matters, and your argument.
 - b. Background & Legal Framework
 - c. Overview of current AI applications in insurance law.
2. Discussion of existing regulations and case law.
 - a. Analysis & Argument
 - b. Provide an in-depth analysis of the legal, ethical, and policy issues involved.
 - c. Use case studies, regulatory reports, and academic research to support your argument.
3. Recommendations & Conclusion
 - a. Suggest policy changes, best practices, or legal frameworks.
 - b. Summarize key takeaways and future research directions.