Lloyd's 10 high-level COB	Product	AI Risk/Loss Scenario
Accident & Health	Accident & Health	1.1 Self-driving car error causes injury to driver: 1st party A&H policy could respond in first instance 1.2 AI-controlled drinking water system error leading to contamination and related injury/illness/medical expenses: 1st party A&H policy could respond in first instance 1.3 AI-controlled weapon (e.g. drone) used in terrorist attack causing bodily injury 1.4 [Travel] AI-system (e.g. baggage, ticketing, information display, transport) failure at airport causes flight delays leading to insured cancellation.
Aviation	Aviation Products (AO) and Airport Liabilities (AP)	2.1 AI used in cyber attack on aircraft infotainment system causing flight delay and related loss of use claim. 2.2 AI used for predictive maintenance of aircraft does not find a defect leading to unplanned downtimes and BI for the airline. 2.3 Errors in AI ground operations system (e.g. weather predictions, aircrew or maintenance crew availability predictions) causing flight delay and loss of use.
	Aviation War	2.4 Defects in AI airport security system (e.g. face recognition for known terrorist detection) fails, leaing to resultant airport bombing.
	Space	2.5 Satellite collision, which AI-assisted collision avoidance system fails to avert.
Casualty FinPro	E&O (Commercial & FI)	3.1 AI produces erroneous advice/service to clients, causing a loss. 3.2 Insured found negligent for AI cyber security failure following data breach event. 3.3 Discrimination in lending practices using AI leads to claim(s) against the insured.
	D&O (Commercial & FI)	3.4 AI produces incorrect analysis which is relied on in a negligent strategic decision, causing drop in share price and a securities class action by investors. 3.5 Copyright/patent violation and/or wrongful disclosure of confidential information by AI leads to regulatory investigation costs and/or securities class actions by investors. 3.6 AI algorithmic trading errors cause major losses and drop in share price (FI) leading to securities class action by investors. 3.7 AI system used for Anti-Money Laundering does not detect criminal activity, leading to fines and claims against directors 3.8 Discrmination in health insurance claims approvals, leading to claims against directors 3.9 AI used to ensure trading compliance does not detect anomalies, leading to fines or claims against directors
	BBB/ Crime	3.10 Malicious actor uses AI for fraudulent activities, causing data breaches leading to financial losses. 3.11 AI used by criminals to breach insured financial institution's cyber security systems, resulting in theft of money from FI. 3.12 Fraud Detection AI system does not detect fraudulent activity, leading to financial losses (amount of fraudulent transaction).
Casualty Other	MedMal	4.1 Scanning/ x-ray software errors leads to clinical negligence due to false negative. 4.2 Use of AI in "ambient listening" to record notes during consultations, leading to subsequent mis-recording of symptoms, treatment options etc and related negligence. 4.3 AI use in hospital administrative system causes errors in (for example) treatment scheduling, leading to missed appointments and related negligence claims. 4.3a AI Avatar used in healthcare provides negligent service (e.g. failure to remind patient to take medication), leading to patient harm.
	General Liability	4.4 AI malfunction during industrial process causes pollution to river. 4.5 AI malfunction during industrial process causes fire damage to insured and neighbouring premises. 4.6 Bodily injury caused by contaminated food product designed and/or manufactured by AI. 4.7 Bodily injury (e.g. self-harm/ suicide) following chatbot interaction and/or advice. 4.8 Discriminatory content produced by AI. 4.9 AI releasing confidential information. 4.10 Bodily injury/ death caused by collision involving self-driving car(s). N.B. General AI exposure applying to all GL scenarios - potential for much higher damages to be awarded in the event of AI error compared with human error.
	EL/WC	4.11 AI-driven workplace environmental system, e.g. air circulation, fails causing causing bodily injury to employees. 4.11a Bodily injury caused by an explosion in a factory following an AI failure in manufacturing process.
	EPL	4.12 AI-driven hiring process leads to discriminatory/biased hiring and related law suits for damages.

	Product Recall	4.13 Recall required following property damage and/or bodily injury caused by defective products designed and/or manufactured by AI, e.g. food contamination. 4.14 AI system designed to detect product defects misses critical defects, leading to recall.
Casualty Treaty	Motor XL	5.1 Systemic failure of automated vehicles causing major loss event; property damage, bodily injury, legal costs.
	Casualty Treaty	5.2 Aggregation of D&F casualty risks listed above. **(Removed from scenario list)**
Energy	Liability	6.1 Failure of AI-driven safety systems (e.g. power generation shutdown/startup) causes property damage and/or bodily injury. 6.2 Failure of AI-assisted energy distribution system causing business interruption claims due to loss of power. 6.3 AI used by utility company to prevent fire in powerline fails to detect vegetation or damaged components, leading to fires which cause interruption in essential electricity services.
	Property	6.4 AI assisted management system malfunction causes fire/explosion. 6.5 AI weather detection system failure tilts solar panels in the wrong direction causing property damage. 6.6 Predictive maintenance AI fails to detect defects in energy assets, leading to property damage.
	Construction	6.7 AI system failure in planning or execution of a construction project (e.g. AI wind model undercalculates maximum wind speed for location of turbines causing property damage). 6.8 AI used to automate inspections in infrastructure assets or construction projects fails to alert to defects e.g., corrotion, cracks, delamination, leakages, etc. leading to collapses or other property damage.
Marine	Hull	7.1 AI navigation system failure leads to collision or running aground.
	Cargo	7.2 AI used in a criminal act to maliciously divert goods for theft. 7.3 AI used to automate container inspections fails, allowing illegal cargo to cross borders.
Property (D&F)	Property (D&F)	8.1 "Smart" building heating system malfunction leads to property damage e.g. fire.
	Specie	8.2 Smart thermostat malfunction causes damage to fine art. 8.3 Use of AI to defeat security system (e.g. facial/voice recognition) in theft of specie/fine art.
Property Treaty	Property Treaty	9.1 Aggregation of D&F property risks. **(Removed from scenario list)**
Specialty Other	Cyber	10.1 System downtime caused by AI malfunction and resulting Business Interruption. 10.2 Increased sophistication of automated cyber attacks increases frequency and severity e.g. more successful spearfishing attacks on senior execs, heightened ransomware threat and data breach. 10.3 More sophisticated deep fake technology (audio and video) and heighted ransomware threats e.g. product liability 10.4 Third-party liability e.g. GDPR breach, Third-party plug-in data breach, copywrite/IP breach by generative AI
	Terrorism (Liability)	10.5 AI fails to operate security system, leading to increased losses during act of terrorism.
	Terrorism (PD)	10.6 AI system fails to detect terrorism threat, leading to physical damage. **(Removed from scenario list)** 10.7 AI used in the planning/execution of acts of terror. **(Removed from scenario list)**
	Contingency	10.8 AI software managing event lighting fails leading to event cancellation. **(Removed from scenario list)** 10.9 Power grid failure; AI malfunction leads to power outage. **(Removed from scenario list)**
	Political violence (war risks)	10.10 (War risks) AI drone malfunction leads to Property Damage to unintended targets. 10.11 Increased frequency of war losses due to prolific use of AI drones.