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Securities Litigation Co-Chairs Author *Law360* Article About AI-Related Civil Litigation Risks

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Securities Litigation Partners and Department Co-Chairs Bruce Vanyo and Michael Diver, Securities Enforcement Defense Chair, along with Financial Markets Litigation and Enforcement Associate Zoe Lo, wrote an article for *Law360* about the increasing litigation risks associated with companies' use of artificial intelligence (AI) in their business operations. The authors note that as AI adoption has grown exponentially over the past decade, companies face potential legal challenges from civil litigants, particularly in the areas of contractual and equitable claims and securities litigation, as well as "Exchange Act claims under the theory of so-called AI washing." They emphasized the importance of thoroughly vetting AI models, assessing directors and officers (D&O) insurance policies, and ensuring accurate and up-to-date public disclosures about AI use in order to mitigate the risk of securities and derivative claims.

The article outlines several prominent cases that illustrate the types of claims companies may encounter. For example, health insurance companies have faced lawsuits for allegedly using faulty predictive AI models that resulted in wrongful denials of care. In the securities litigation sector, companies have also been accused of making misleading statements about their AI capabilities, a practice known as AI washing. The authors highlight that even companies that are not actively developing AI products may still face legal risks due to their associations with major AI industry players.

"Recent Cases Highlight Latest AI-Related Civil Litigation Risks," **Law360*, March 24, 2025

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