

Insuring AI-Generated Art: An Emerging Challenge for Fine Art Insurers

AI-generated artworks are increasingly entering galleries, auctions, and private collections. In 2018, the AI-generated portrait Edmond de Belamy sold at Christie's for \$432,500, marking one of the first high-profile sales of an artwork produced by a generative algorithm. Since then, artificial intelligence has become part of contemporary artistic practice and works created with generative systems are gradually appearing in institutional collections and private holdings.

As these works begin circulating within the art market, insurers are encountering a practical question: how should AI-generated artworks be underwritten within existing fine art insurance frameworks?

Traditional fine art insurance policies were developed around assets defined by identifiable human authorship, established provenance, and relatively stable valuation benchmarks. These elements allow underwriters to determine insurable interest, support agreed value coverage, and assess potential loss scenarios.

AI-generated artworks introduce uncertainties that may challenge these traditional underwriting assumptions.

One issue concerns authorship. Most copyright systems remain grounded in the principle of human intellectual creation. When artworks are produced through machine-learning systems, authorship may not always be clearly attributable. The creator of the prompt, the developer of the model, and the platform facilitating the generation may all play a role in the creation process. For insurers, ambiguity surrounding authorship may complicate the determination of ownership and insurable interest.

A second challenge relates to reproducibility and valuation. Traditional art underwriting often relies on the assumption that the insured work is a unique object. AI systems, however, are capable of generating similar outputs from comparable prompts and model configurations. Even where digital scarcity mechanisms are introduced, the technological capacity for replication may complicate appraisal methodologies traditionally used to support agreed-value policies.

AI-generated artworks may also introduce intellectual property exposure. Ongoing litigation in several jurisdictions is examining whether copyrighted works used in AI training datasets constitute infringement. Although legal outcomes remain uncertain, potential loss scenarios could arise if an insured artwork is alleged to reproduce protected material contained in a training dataset. Existing fine art policies may not always clearly address such claims.

Finally, some AI-generated artworks depend on specific technological ecosystems, including particular generative models, platforms, or hosting environments. Changes in licensing terms,

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platform availability, or technological infrastructure could affect the accessibility or value of the artwork. Where multiple insured works rely on the same technological platform or model, insurers may also need to consider potential aggregation exposure.

These issues do not necessarily mean that AI-generated art is uninsurable. Insurance markets have historically adapted to new forms of cultural assets, from photography to digital art.

However, as AI-generated artworks continue to enter galleries, auctions, and private collections, the insurance market will inevitably encounter them with increasing frequency. The question is therefore not whether these works should be insured, but how insurers will adapt existing underwritten frameworks to address their unique characteristics.

Traditional fine art policies were designed for assets defined by human authorship, physical uniqueness, and linear provenance records. AI-generated works challenge each of these assumptions. If the art market continues integrating algorithmic creation, insurers may need to reconsider how authorship, provenance, valuation, and intellectual property exposure are addressed within policy structures.

In this sense, AI-generated art does not necessarily fall outside the scope of insurance, but it does require the industry to adapt its underwriting models and policy wording to a new technological environment.

AI may generate the artwork.

But the insurability of AI art will ultimately depend on how the insurance industry chooses to structure and price the associated risks.