RESTORATION INTEL • FIELD REFERENCE CARD

AI Exclusion Spotter Card: ISO CG 40 47, CG 40 48 & CG 35 08 at Renewal

DOCUMENT CLASSIFICATION: FREE FIELD GUIDE
Current version — Oct 31, 2026. Update history: https://restorationintel.com/ai-insurance-coverage-faq/

⚠ EXECUTIVE SUMMARY: THE END OF "SILENT AI" (JANUARY 1, 2026)

Prior to Jan 1, 2026, standard Commercial General Liability (CGL) policies did not mention artificial intelligence ("silent AI"), meaning AI liabilities were frequently covered by default. ISO's 2026 endorsement release introduced optional "off switches" that carriers attach at renewal. Once attached, claims tied to generative AI are stripped from the specified coverage parts.

1. OPERATIONAL PROFILE (WHAT THESE FORMS IMPACT)

Contractor and restoration operations commonly deploy four distinct AI workflows:

Voice Agents
Inbound dispatch, intake, live contractor calls.

Agentic Sends
Autonomous harnesses that draft & send messages.

Publishing Lanes
AI-assisted marketing, media & educational content.

Installed Systems
Client-facing automation placed in contractor shops.

2. THE THREE ISO FORMS AT A GLANCE (BROADEST TO NARROWEST)

FORM NUMBER	SCOPE & COVERAGE PARTS	EXCLUSION MECHANISM	OPERATIONAL IMPACT & EXPOSURE	THREAT LEVEL
CG 40 47 Total Exclusion	**Coverage A & B** Bodily Injury, Property Damage, Personal & Advertising Injury	Total exclusion of any claim arising directly or indirectly out of generative artificial intelligence across all core operations.	Total GL blackout. Voice misrouting causing physical delay, property loss, or marketing libel are fully uninsured under GL.	CRITICAL (BROADEST)
CG 40 48 Targeted Advertising	**Coverage B Only** Personal and Advertising Injury	Excludes liability arising out of generative AI in marketing, publishing, advertising, disparagement, or defamation.	Hits content generation, newsletters, social campaigns, automated SEO content, or client-facing AI copy.	HIGH (MEDIA/ADS)
CG 35 08 Products & Ops	**Products/Completed Ops** Bodily Injury & Property Damage	Excludes BI and PD arising from goods, products, software, or completed automation systems built or installed by insured.	Touches systems you build, sell, or install into client businesses (e.g. contractor AI dispatch setups).	ELEVATED (INSTALLS)

CG 40 47: The Full Commercial GL Off-Switch

COVERAGE A + B

- **Coverage A Stripped:** Bodily Injury (BI) and Property Damage (PD) caused by GenAI automation.
- **Coverage B Stripped:** Libel, slander, privacy violation, or copyright infringement from GenAI.
- **First Look Target:** Always inspect declarations for CG 40 47 first. If present, your CGL policy affords zero protection for any AI-induced failure.

CG 40 48: The Content & Media Exclusion

COVERAGE B ONLY

- **Coverage A Preserved:** BI/PD remains governed by base policy terms (subject to other exclusions).
- **Coverage B Excluded:** Advertising injury, defamatory AI voice transcripts, or erroneous client emails.
- **Operational Seam:** Critical for agencies operating human-gated publishing lanes and customer notifications.

RESTORATION INTEL • FIELD REFERENCE CARD

ISO Endorsements • Declarations Audit & Exact Broker Ask Script

DOCUMENT CLASSIFICATION: FREE FIELD GUIDE
Current version — Oct 31, 2026. Update history: https://restorationintel.com/ai-insurance-coverage-faq/

CG 35 08: Products & Completed Operations Exclusion

PRODUCTS/COMPLETED OPS

Scope: Applies specifically to bodily injury or property damage arising out of generative artificial intelligence included within the "products-completed operations hazard."
Why It Matters for Contractors & Integrators: If you install automated call-routing models, workflow engines, or diagnostic tooling into a third-party contractor's business, CG 35 08 detaches your completed-work liability. If an installed system misroutes an emergency flood call and water continues running unchecked, resulting in catastrophic structural collapse, the carrier will invoke CG 35 08 to deny defense and indemnification.

⚠ CRITICAL FACT: ADOPTION IS NOT AUTOMATIC — THE RENEWAL VARIANCE TRAP

None of these ISO exclusions apply automatically to existing policies. A carrier must affirmatively file and attach the endorsement. The primary trigger event is your **policy renewal date**. Adoption varies dramatically by carrier, line of business, and state insurance department approval. **Two contractors insured by the exact same carrier can have completely different coverage positions depending solely on whether they renewed before or after form filing.**

WORD-FOR-WORD BROKER ASK SCRIPT (FROM THE ARTICLE)

```
"Show me the exact form edition and endorsement schedule on our current GL policy. Is CG 40 47, 40 48, or 35 08 — or a carrier-manuscript equivalent — attached, and if so, which coverage parts does it strip?"
```

3. DECLARATIONS PAGE 4-STEP VERIFICATION CHECKLIST

Pull your policy declarations packet and complete these verification checks before your next renewal:

- [ ] **Step 1: Locate the Endorsement Schedule (Schedule of Forms):** Scan the forms index (typically pages 2–5 of the declarations) for the alphanumeric strings "CG 40 47", "CG 40 48", or "CG 35 08".
- [ ] **Step 2: Check Form Edition Dates:** Look for the 4-digit edition date code following the form number (e.g., "CG 40 47 01 26" indicates the January 2026 ISO release).
- [ ] **Step 3: Screen for Carrier Manuscript Endorsements:** Carriers frequently draft proprietary endorsements (e.g., "AI-001", "GENAI-EXCL", or manuscript exclusionary amendatory riders). Search for the words "Artificial Intelligence", "Generative", "Machine Learning", or "Algorithmic".
- [ ] **Step 4: Audit Coverage Part Allocations:** If an exclusion is attached, determine whether Coverage A, Coverage B, or Products/Completed Operations is stripped. Request a formal broker letter stating the surviving coverage parts.

Next Level Coverage Architecture: If your Commercial General Liability policy attaches an exclusion, your primary backstop for erroneous advice, mislogged jobs, or software misfires shifts to **Technology E&O (Professional Liability)**. For complete logs, broker ask-scripts, GL vs. E&O loss routers, and CFC/Beazley comparison sheets, consult the *2026 AI Exclusion Renewal Pack ($7)*.