



# Application of a No-Code AI Model for Legal Research in International Insurance Claims

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# Introduction

- AI is becoming big part of vast amount of industries, insurance as well
- The rise of consumer friendly AI tools
- Lack of AI tools for legal research in international motor third-party liability (MTPL) claims

# Challenges in Legal Research for International MTPL Claims

- Significant amount of cases escalate to court litigation
- Judicial precedents serve as critical references for legal professionals
- Advancements in AI can help address those issues

# Creating a custom GPT





## Legal GPT

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Analyzes and stores court decisions from user-uploaded PDFs, creating a searchable legal database.

- Summarize the key points of a court decision.
- Find cases related to liability in traffic accidents.
- Retrieve court decisions discussing fraud...
- Translate a case summary into Croatian.

Pitajte bilo što...

+  

# Creating a custom GPT

- Instructions
- Conversation starters
- Knowledge base
- Selected capabilities

# Legal database

- Knowledge base of custom GPT
- Court judgements grouped into four key categories relevant to international MTPL insurance claims: applicable law, fraud, liability, and material damage
- Each judgment includes the case title, court name and jurisdiction, decision date, factual background, text of the decision, and applied statutory provisions

# Creating a custom GPT

## Sažetak presude – Višestruki sudar na autocesti A5

Sud: OLG Stuttgart, 5. Zivilsenat

Datum presude: 30. lipnja 2014.

Broj predmeta: 5 U 28/14

Prvostupanjski sud: LG Ravensburg, 4 O 7/12

### Činjenice slučaja:

Dana 19. travnja 2003. tužiteljica je upravljala vozilom koje je udarilo u središnju ogradu autoceste A5, nakon čega se zaustavila na lijevoj prometnoj traci bez ikakvog signaliziranja (bez svjetla). Nekoliko trenutaka kasnije, drugo vozilo (tuženik), koje je putovalo brzinom od oko 130 km/h, udarilo je u njezino vozilo.

### Pitanje odgovornosti:

- Sud je ocjenjivao ulogu obje strane u izazivanju nesreće.
- Posebno je važna činjenica da se vozilo tužiteljice nalazilo na prometnoj traci u noćnim uvjetima bez svjetlosne signalizacije.

### Odluka suda:

- Tuženik i njegov osiguratelj proglašeni su **odgovornima za 60 % štete**.
- Tužiteljici je pripisano **40 % suodgovornosti**, zbog doprinosa vlastitoj nesreći (zaustavljanje bez svjetala na prometnoj traci).

### Zaključak:

Sud je utvrdio da, iako je tužiteljica svojim ponašanjem doprinijela nesreći, glavni uzrok udara bilo je ponašanje tuženika koji nije na vrijeme reagirao i nije prilagodio brzinu uvjetima na cesti.

# 2 studies

- Pilot study
- Follow-up study
- Both done with Croatian claim adjusters with various degrees of German proficiency
- Research using 2 approaches: manual research vs AI-assisted research

# Hypothetical claim

- Traffic accident in Croatia between a German registered vehicle and a Croatian-insured vehicle
- German driver sought **full reimbursement** for rental car expenses under the Visitors' Protection System
- The Croatian insurer, citing domestic practice, disputed the claim and offered **partial** compensation
- The claimant, arguing for full reimbursement under German legal standards, **threatened litigation**

# Key points for claims adjusters

- Duty to Mitigate Losses – Whether the claimant must limit rental car expenses to minimize damages
- Recognition of Croatian Law – Whether German courts acknowledge the application of Croatian legal principles in cross-border insurance claims when the accident occurs in Croatia

# Pilot study

- 2 claims adjusters
- Key aspects: success rate, time efficiency, accuracy, relevance, ease of use, personal preference

# Pilot study - results

- Adjuster fluent in German found relevant court decision after 20 minutes via manual research. Using GPT, it took 2 minutes to retrieve relevant case
- Adjuster with no German proficiency could not find relevant case manually, while AI-assisted research yielded results within 2-3 minutes

# Follow-up study

- 4 non German speaking claims adjusters
- Participants recorded time taken to find first relevant case, number of cases retrieved and qualitative feedback on usability

# Follow-up study - results

Did you find relevant court decisions that would confirm insurers' stance?

<b>Response</b>	<b>Response %</b>
Yes, using traditional research	0
Yes, using AI-assisted research	100
Yes, using both	0
I didn't find any information	0

# Follow-up study - results

How much time did it take to find relevant court decisions using the AI tool?

<b>Response</b>	<b>Response %</b>
I could not find any	0
Under 5 minutes	100
5 to 15 minutes	0
Over 15 minutes	0

# Follow-up study - results

How many relevant court decisions were found using AI tool?

<b>Response</b>	<b>Response %</b>
None	0
One	50
Two	50
Three or more	0

# Qualitative insights

- Manual research was for non-German-speaking adjusters perceived as difficult, inefficient, and impractical
- AI-assisted research was preferred for its speed and ease of use
- All indicated they would choose AI-assisted research over manual methods for future cases involving foreign legal systems

# Discussion

- AI-Assisted Legal Research Improves Efficiency
- AI Bridges Language Barriers in Cross-Border Claims Handling
- Increased Accessibility and Usability for Claims Adjusters
- Practical Implications for International Insurance Claims Handling

# Limitations

- Small number of participants
- Bigger database
- Performance is tied to AI model and quality and scope of training data
- Simulated scenario
- AI hallucinations

# Conclusion

- Results demonstrate significant improvement in research efficiency and usability when using AI-assisted search methods compared to the traditional research
- Custom GPT addresses language barriers
- Limitations necessitate further studies

# Future work - GPT

- Incorporate more court decisions and relevant national laws
- Expand the database to cover more countries
- Linking AI tool with official legal databases
- Addressing AI hallucinations
- Creating a fully custom solution

# Future work - Research

- Increased number of participants
- Testing in real-world environment
- Testing in multiple companies, countries

THANK YOU!