# Lloyd’s-backed Testudo launches data-driven platform to underwrite rising AI litigation risks



Lloyd’s of London-backed start-up Testudo has recently launched a cutting-edge data and technology platform designed to underwrite insurance policies covering risks related to artificial intelligence. The company, part of the 14th Cohort of Lloyd’s Lab innovation accelerator, aims to help businesses and insurers better manage the increasing legal and financial exposures emerging from the widespread deployment of AI technologies.

Testudo’s platform offers a sophisticated approach to assessing AI risks that diverges from traditional underwriting methods. By compiling and analysing real-time data on AI-related litigation, regulatory changes, and incidents, it provides a dynamic view of the evolving legal landscape surrounding enterprise AI use. This enables risk managers, insurers, and brokers to identify and quantify exposures more effectively, including risks that might otherwise evade detection. Notably, the platform does not require deep integration with a company’s AI systems or models, simplifying adoption and scalability for clients.

The surge in generative AI adoption has been accompanied by a notable increase in related lawsuits. Testudo’s data reveals that states such as California, Illinois, New York, Texas, and Delaware lead in AI litigation volumes. In the first quarter of 2025, generative AI lawsuits rose by 23 percent compared to the same period in 2024, with an 81 percent year-over-year increase in filings through April 2025. Settlements in these cases typically average around $4 million. While media focus often centres on copyright and intellectual property disputes, the most frequent legal claims actually pertain to breach of contract, invasion of privacy, and misrepresentation. AI applications tied to customer service, marketing content generation, and recommendation algorithms have been particularly prone to litigation.

Insurers are increasingly challenging AI-related claims in court, partly because many existing policies were not designed to cover the unique risks posed by AI technologies. Testudo seeks to fill a critical gap by offering insurance products purpose-built for the AI economy—including protection against data breaches, ransomware attacks, business interruptions, automated decision-making errors, generative content liabilities, and robotics-related exposures. According to forecasts, the global AI-related insurance premium market could reach $4.7 billion annually by 2032, highlighting the growing importance of specialised underwriting solutions in this domain.

Testudo’s founding team brings valuable expertise from insurance and technology sectors, including experience at Goldman Sachs in driving adoption of emerging technologies and creating novel trading products. Their underwriting model integrates a proprietary litigation ingestion engine and actuarial-grade pricing frameworks, which are expected to underpin launch of new insurance products targeting enterprise clients by late 2025.

The company’s partnership within Lloyd’s Lab reflects a broader industry push towards innovation. Lloyd’s aims to bolster the insurance sector’s resilience by nurturing startups that address rapidly evolving risks and operational inefficiencies. Dawn Miller, Chief Commercial Officer and CEO of Lloyd’s Americas, lauded Testudo for bringing a unique underwriting approach to the Lloyd’s market, emphasising the initiative’s role in developing new premium streams and enhancing operational efficiency. Echoing this sentiment, Testudo’s CEO George Lewin-Smith highlighted how their technology accelerates enterprise adoption of AI by enabling a clearer understanding and pricing of real-world AI risks. Mark Titmarsh, Testudo’s Head of Insurance, stressed that the firm bridges underwriting expertise from London with advanced technology from the Bay Area, positioning it to insure the burgeoning AI economy.

While Testudo’s platform represents a promising response to the challenges of insuring AI risks, the rapidly shifting legal and technological environment remains complex and unpredictable. Success will depend on the company's ability to continuously adapt its models to new regulatory developments, emerging litigation trends, and advances in AI deployment. Nevertheless, Testudo’s integration of sophisticated data analytics and insurance expertise signals a forward-thinking approach to managing one of the most significant new classes of enterprise risk.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.reinsurancene.ws/testudo-launches-ai-insurance-underwriting-platform-backed-by-lloyds-lab/), [[3]](https://www.testudo.co/insights/partnering-with-lloyds-s-of-london), [[6]](https://www.reinsurancenews.com/11-insurtechs-join-lloyds-lab-accelerator-programme/)
* Paragraph 2 – [[1]](https://www.reinsurancene.ws/testudo-launches-ai-insurance-underwriting-platform-backed-by-lloyds-lab/), [[2]](https://www.testudo.co/), [[5]](https://www.testudo.co/about)
* Paragraph 3 – [[1]](https://www.reinsurancene.ws/testudo-launches-ai-insurance-underwriting-platform-backed-by-lloyds-lab/), [[4]](https://www.testudo.co/insurance)
* Paragraph 4 – [[1]](https://www.reinsurancene.ws/testudo-launches-ai-insurance-underwriting-platform-backed-by-lloyds-lab/), [[4]](https://www.testudo.co/insurance)
* Paragraph 5 – [[1]](https://www.reinsurancene.ws/testudo-launches-ai-insurance-underwriting-platform-backed-by-lloyds-lab/), [[5]](https://www.testudo.co/about)
* Paragraph 6 – [[1]](https://www.reinsurancene.ws/testudo-launches-ai-insurance-underwriting-platform-backed-by-lloyds-lab/), [[3]](https://www.testudo.co/insights/partnering-with-lloyds-s-of-london), [[6]](https://www.reinsurancenews.com/11-insurtechs-join-lloyds-lab-accelerator-programme/)

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## Bibliography

1. <https://www.reinsurancene.ws/testudo-launches-ai-insurance-underwriting-platform-backed-by-lloyds-lab/> - Please view link - unable to able to access data
2. <https://www.testudo.co/> - Testudo is an early-stage company specialising in underwriting insurance policies for artificial intelligence (AI) risks. Backed by investors such as LocalGlobe and Goldman Sachs partners, Testudo aims to help businesses manage legal and financial exposures associated with AI deployments. The platform analyses real-time data on AI-related litigation, regulatory developments, and incidents, providing insights into the evolving legal landscape of enterprise AI use. Testudo plans to introduce new insurance products targeting enterprise clients by late 2025.
3. <https://www.testudo.co/insights/partnering-with-lloyds-s-of-london> - In April 2025, Testudo joined Lloyd's Lab as part of the 14th Cohort of the Lloyd's Lab Accelerator programme. This partnership aims to bring Testudo's innovative underwriting methodology to the insurance market, assisting insurers in understanding how to underwrite new AI-related risks. The collaboration has garnered interest from syndicates seeking to back a market leader in AI, with plans to partner over the coming months.
4. <https://www.testudo.co/insurance> - Testudo offers insurance products specifically designed for AI-related risks, including data breaches, ransomware, business interruption, automated decision-making, generative content, and robotics. The company identifies critical gaps in existing policies, as AI becomes central to enterprise operations. Testudo's coverage is purpose-built for enterprises deploying AI, aiming to underwrite risk so teams can move faster, quantify exposure, and transfer liability effectively.
5. <https://www.testudo.co/about> - Testudo is an AI underwriting company focused on insuring the AI economy. The company has developed a proprietary litigation ingestion engine, actuarial-grade pricing models, and new underwriting methodologies to launch insurance products in Q4 2025. Testudo has partnered with top brokers and joined the Lloyd's of London innovation lab, modelling thousands of AI-related claims across legal regimes. The team comprises professionals with backgrounds in insurance, machine learning, and enterprise technology.
6. <https://www.reinsurancenews.com/11-insurtechs-join-lloyds-lab-accelerator-programme/> - In April 2025, Lloyd's announced the 14th Cohort of the Lloyd's Lab Accelerator programme, selecting 11 InsurTechs, including Testudo. The programme focuses on 'Shaping the Future of Reinsurance in Bermuda,' developed with the Bermuda Monetary Authority to strengthen collaboration between Lloyd's and Bermuda's insurance and reinsurance hubs. The cohort also advances themes like 'Data, Models & Processes' and 'New Products,' aiming to address current market challenges.
7. <https://www.lloyds.com/about-lloyds/our-purpose/stories/innovation/intelligent-ai> - Lloyd's Lab has supported several start-ups, including Intelligent AI, which utilises AI to solve industry challenges. Intelligent AI's Rebuild Cost Platform, launched in March 2024, leverages AI and data analytics to provide accurate and real-time rebuild cost estimates for properties, addressing the issue of underinsurance. The platform integrates advanced algorithms with a vast dataset of property information, historical claims insight, and real-time market trends, enabling insurers to accurately price policies and manage risks more effectively.