

# AI Disclosure Clause – Engagement Letter Template

*Model language for engagement letters and client communications. Three versions: full disclosure, conservative disclosure, and opt-out language. Adapt to your jurisdiction.*

**From HitLai Institute – Module L1: “The ABA 512 Problem”**

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## WHY THIS MATTERS

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ABA Formal Opinion 512 strongly suggests AI disclosure when AI is used in a substantive way on a client matter. State bars and federal courts have begun requiring it explicitly:

- **Several federal district courts** require AI-disclosure certifications on filings.
- **Multiple state bars** have issued guidance recommending engagement-letter disclosure.
- **Private clients** – particularly sophisticated GCs – increasingly require AI-policy disclosure as a panel/RFP condition.

The risk of NOT disclosing: malpractice exposure, ethics inquiry, panel disqualification, and (most concretely) reputational damage when a client finds out their work was AI-assisted from someone other than you.

The risk of disclosing well: trust. Done right, transparent AI disclosure is a competitive advantage – clients increasingly prefer firms who are honest about their tools.

**This template is not legal advice.** Run final language by your firm’s general counsel or ethics counsel before adopting.

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## VERSION A – FULL DISCLOSURE (DEFAULT FOR MOST ENGAGEMENTS)

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For inclusion in standard engagement letters where AI may be used in routine matters: research, drafting, summarization, document review, calendar/deadline tracking, internal memos.

### AI-Assisted Legal Services

[Firm Name] uses artificial-intelligence (“AI”) tools to assist with certain aspects of legal work, including legal research, document drafting, summarization, and internal review. The use of these tools is consistent with our obligations under [State] Rules of Professional Conduct and ABA Formal Opinion 512.

Specifically:

- **Privileged material remains protected.** AI tools used by our firm are configured to prevent disclosure of confidential client information to third parties. Privileged material is not used to train any AI model.
- **Lawyers, not AI, make legal decisions.** All AI-assisted output is reviewed and verified by a qualified attorney before it is used on your behalf or filed with any tribunal. AI is a tool to enhance our efficiency and quality; it does not replace legal judgment.

- **Citations are verified.** Any case, statute, or authority referenced in your matter is verified against authoritative legal databases before use.
- **Billing reflects AI assistance.** Where AI materially reduces the time required to complete your work, our billing reflects the actual time spent, not the time the work would have taken without AI assistance.
- **You may opt out.** If you prefer that AI tools not be used on your matter, please notify us in writing and we will accommodate your preference. (Note: opt-out may affect timeline and cost.)

By signing this engagement, you acknowledge our use of AI as described above. We will inform you in advance if AI is to be used in any non-routine or substantive way that goes beyond the activities described here.

## VERSION B – CONSERVATIVE DISCLOSURE (FOR RISK-SENSITIVE OR JURISDICTIONALLY COMPLEX MATTERS)

For litigation, regulated industries, or jurisdictions with stricter AI guidance.

### Use of Technology in Your Matter

[Firm Name] employs technology tools, including software that uses artificial intelligence, to assist with certain administrative and supportive aspects of our work. These may include legal research aids, document review platforms, and drafting assistance tools. All such use is conducted under attorney supervision and consistent with our duties of competence, confidentiality, and supervision under the [State] Rules of Professional Conduct and ABA Formal Opinion 512.

No work product produced by such tools is delivered to you or filed on your behalf without review and verification by a qualified attorney. Privileged information is processed only in environments configured to maintain confidentiality.

If you wish to discuss our use of these tools in greater detail, or to request that we limit or exclude their use on your matter, please raise this with [primary attorney name] at any time.

## VERSION C – OPT-OUT LANGUAGE (FOR CLIENT-SIDE ACKNOWLEDGMENTS)

For situations where the client has affirmatively requested no AI assistance on their matter.

### Client Election to Decline AI-Assisted Services

Client has elected to have their matter handled without the use of generative-AI tools for substantive legal work, including drafting, research, and document review. [Firm Name] will accommodate this preference subject to the following:

- Some administrative AI tools (calendar reminders, conflict checks, time tracking) may continue in use, as these do not constitute substantive legal work.
- Excluding generative-AI assistance from substantive work may increase the time required and the corresponding fee for your matter.

- Client acknowledges that this election is documented in our matter file and applies prospectively from the date of this acknowledgment.

Client signature: \_\_\_\_\_ Date: \_\_\_\_\_

## VERSION D – COURT-FILING CERTIFICATION (WHERE REQUIRED BY LOCAL RULES)

For federal districts and state courts requiring AI disclosure on filings. CHECK YOUR JURISDICTION'S RULE — this is a sample; the wording varies.

### Certification Regarding the Use of Generative Artificial Intelligence

The undersigned counsel certifies that:

1.

No portion of this filing was drafted, generated, or substantially edited by generative-AI tools.

OR

1.

Portions of this filing were drafted with the assistance of generative-AI tools. Specifically, [describe — e.g., “the factual background section was drafted with AI assistance and reviewed and revised by counsel”]. All citations and authorities in this filing have been independently verified by the undersigned against authoritative legal databases.

The undersigned remains fully responsible for the contents of this filing under [Federal Rule of Civil Procedure 11 / state equivalent] and the [State] Rules of Professional Conduct.

\_\_\_\_\_  
[Counsel name and bar number]

## INTERNAL FIRM USAGE NOTES

### When to use Version A vs. B

- **Version A** is default for transactional, regulatory, and routine litigation matters where AI use is genuinely routine and the client is not unusually sensitive.
- **Version B** is default when (a) the client is in a regulated industry with their own AI concerns, (b) the matter is high-stakes litigation, or (c) the jurisdiction has stricter AI-disclosure norms.
- **When in doubt, use Version A.** More disclosure is rarely a problem; insufficient disclosure can be.

### How to handle opt-out clients

When a client opts out:

1. Document the election with Version C.
2. Flag the matter file as “AI-restricted.”
3. Communicate the restriction to all timekeepers on the matter.

4. Adjust the matter budget/timeline if needed; communicate the adjustment.
5. Reaffirm at major matter milestones (annual review, new phase, etc.) — preferences can change.

### **Changes to AI use mid-matter**

If the firm begins using AI in a new way on an active matter that wasn't covered by the original engagement letter, send a short addendum or written notice to the client describing the change. Don't quietly expand AI use without re-disclosing.

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## **THE PANEL/RFP ANGLE**

Sophisticated clients (especially Fortune 500 GCs and law-firm-of-record panels) increasingly request AI policy as a panel condition. Having Version A or B in your engagement letter, plus the L1-01 Compliance Checklist as evidence, lets you respond to these requests with documentation rather than assertions.

The firms that win 2026-2027 panel placements will be the ones who can hand a GC a one-page AI policy, a disclosure clause, and a verification protocol — not the ones who claim to be “exploring AI.”

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## **THE HITLAI / AICTRLNET ANSWER, IN ONE LINE**

AI tools, your team, your systems — running together, safely.

For a law firm: AI assists, but every external deliverable is verified by a qualified attorney. Privileged material stays inside your firm's network — including with self-hosted, air-gapped local AI via Ollama or vLLM. Your DMS, billing, conflict-check, and engagement-letter systems all reflect AI use. Every action logged for state-bar inquiries, partner reviews, or panel/RFP defenses.

**Want help adapting this clause to your firm's specific practice areas and jurisdictions?** Module L1 walks through it line by line with practice-specific tailoring. → [hitlai.net/institute](https://hitlai.net/institute)

*This template is not legal advice. It is offered as a starting point and should be adapted to your firm's specific practice areas, jurisdictions, and client base under the supervision of your firm's general counsel or ethics counsel.*

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