

[Date]

[Vendor Name]

[Vendor Address]

[City, State, Zip Code]

**RE: Notice of Contractual Liability and Indemnification Requirements for AI Services**

Dear [Contact Person Name or Legal Department],

This letter serves as a formal confirmation regarding the liability and indemnification obligations of [Vendor Name] (the "Vendor") in relation to the Artificial Intelligence services, models, and software provided to [Your Company Name] (the "Company") under the agreement dated [Contract Date].

Pursuant to our agreement, the Vendor hereby acknowledges and agrees to indemnify, defend, and hold harmless the Company and its officers, directors, and employees from and against any and all claims, damages, liabilities, costs, and expenses (including reasonable legal fees) arising out of or related to:

- **Intellectual Property Infringement:** Any claims alleging that the AI models, training data, or generated outputs infringe upon the patents, copyrights, trademarks, or trade secrets of any third party.
- **Data Privacy and Security:** Any breaches resulting from the processing of data by the AI system or non-compliance with applicable data protection laws (e.g., GDPR, CCPA).
- **Output Accuracy and Bias:** Any third-party claims resulting from harmful, discriminatory, or defamatory content generated by the AI service.
- **Regulatory Non-Compliance:** Any penalties or legal actions arising from the AI service's failure to adhere to evolving statutory frameworks governing Artificial Intelligence.

The Vendor confirms that it maintains adequate professional liability and cyber-insurance coverage to support these indemnification obligations. Proof of such insurance shall be provided to the Company upon request.

Please acknowledge receipt and acceptance of these terms by signing below and returning a copy to our legal department.

Sincerely,

[Your Name]

[Your Title]

[Your Company Name]

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**Accepted and Agreed by Vendor:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_