Draft: 3/24/23

The **Big Data and Artificial Intelligence (H) Working Group** 2022 Workplan:

Working Group Charges:

1.   Research the use of big data and artificial intelligence (AI) including machine learning (ML) in the business of insurance and evaluate existing regulatory frameworks for overseeing and monitoring their use.

2.   Review current audit and certification programs and/or frameworks and assess data and regulatory tools needed for state insurance regulators to appropriately monitor the marketplace that could be used to oversee insurers' use of consumer and non-insurance data, and models using intelligent algorithms, including AI. This assessment shall include a review of currently available data and tools, as well as recommendations for development of additional data and tools, as appropriate.

- **Workstream 1: Survey work**

Subject Matter Expert Group Lead : Co-Vice Chair Kevin Gaffney, Vermont

Process**:** Continue analysis of the AI/ML Private Personal Auto (PPA) survey data, use PPA survey data and experience to inform development of an AI/ML Homeowners (HO) survey and develop an AI/ML Life Insurance survey. Conduct the HO and Life surveys and analyze results.

Deliverables**:** Homeowners survey to be issued in June and Life Insurance to be issued in August. Company responses to be collected on a confidential basis. Public white paper, which does not identify specific company practices, providing insights on the industry's use of data and AI/ML in these three lines of business. The White Paper will contribute to the development of the Workgroup 4 deliverable.

Timeline: By the 2022 NAIC Fall National Meeting.

- **Workstream 2: Third-party data and model vendors**

Subject Matter Expert Group Lead: Co-Vice Chair Doug Ommen, Iowa

Process: Determine the appropriate regulatory evaluation of third-party data and model vendors and produce a recommended regulatory framework for monitoring and overseeing industry's use of third-party data and model vendors.

Report findings and insights to working group with suggestions for implementation of deliverables to be considered by Innovation, Cybersecurity, and Technology (H) Committee (H Committee) for possible referral to other Committees, Task Forces and Working Groups.

Timeline: By the 2022 NAIC Fall National Meeting.

- **Workstream 3: Evaluate tools and resources for monitoring industry's use of data and AI/ML.**

Subject Matter Expert Group Lead : Co-Vice Chair Adrienne Harris, New York

Process: Gather data and evaluate information from sources, including vendors, academics, industry, international supervisory authorities, on governance models/frameworks and software tools/resources, which could assist regulators in overseeing and monitoring industry's use of data and AI/ML and eliminate unintended bias in such use. Coordinate with other NAIC committees engaged in similar efforts.

Deliverable: Contribute summaries of suggested regulatory strategies to the working group for referral to the H Committee.

Timeline: On-Going

- **Workstream 4: Regulatory framework/governance**

Subject Matter Group Expert Lead: Co-Vice Chair Amy Beard, Indiana

Process: Evaluate how best to implement the expectations outlined in the AI principles and provide suggestions on next steps, which could include regulatory guidance or development of a model regulation and report back to the working group and ultimately the H Committee.

Deliverable: Propose a regulatory framework as next steps in implementation of AI principles including possible recommendations to appropriate subject matter expert committees

Timeline: By the 2023 NAIC Fall National Meeting.

BDAI WG Workplan