*Virtual Meeting*
*(in lieu of meeting at the 2021 Spring National Meeting)*

**BIG DATA AND ARTIFICIAL INTELILGENCE (EX) WORKING GROUP**
Monday, March 29, 2021
12:30 – 1:30 p.m. ET / 11:30 a.m. – 12:30 p.m. CT / 10:30 – 11:30 a.m. MT / 9:30 – 10:30 a.m. PT

**Summary Report**

The Big Data and Artificial Intelligence (EX) Working Group met March 29, 2021. During this meeting, the Working Group:

1. Reviewed the accomplishments of the Big Data (EX) Working Group and Artificial Intelligence (EX) Working Group and why these groups were merged.

2. Reviewed its 2021 charges, which include researching where the industry is applying the use of big data, algorithms and artificial intelligence (AI) while simultaneously studying governance structures. The Working Group discussed how governance structures could be considered as best practices and provide guidance to state insurance regulators seeking to understand how the industry should be managing risks associated with the use of data and algorithms.

3. Discussed developing an industry survey to research how insurance companies are using big data, algorithms, and AI while protecting the confidentiality of individual company practices. The Working Group agreed to limit the scope and the initial focus of this research, possibly to private passenger automobile insurance, but it may also consider other lines as life insurance. The Working Group agreed that a small group of subject matter experts (SMEs) would coordinate with NAIC staff to draft an industry survey for further review by the Working Group.

4. Heard a presentation to introduce the development and components of a model governance framework based on other models (e.g., capital, catastrophe) that are used to manage risk associated with the use of data and models that factor into important business decisions for insurers. The presentation explained the benefits of model governance, including minimizing risk arising from models and key components, including oversight, controls and validation.

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