

## Accelerated Underwriting Draft FAQ's

Comments from ACLI

Received May 15, 2024

Thank you for providing the Accelerated Underwriting FAQs and Definitions and for allowing us the opportunity to provide comments. There were a few comments we had on both that you can find below:

### FAQ DOCUMENT

- FAQ 1
  - In addition to the reasons listed, we would recommend including the following. *Suggested Language:* Additionally, the term was removed for vagueness because it was an undefined term which could lead to inconsistency in MCAS reporting.
- FAQ 2:
  - NAIC should focus on the tools rather than the number of outcomes. *Suggested Language:* If, however, the data is run through a predictive model or machine learning algorithm, it is considered accelerated underwriting under the MCAS definition.
  - Since models may predict a manual underwriting outcome, not necessarily the ultimate endpoint of insurance claim, elaboration is needed to clarify. In either case, it replaces traditional underwriting. *Suggestion Language:* A model or algorithm prediction is used to limit or replace a human decision.
- FAQ 4:
  - We believe the “predictive modeling” definition is inconsistent with the various definitions of “predictive model(s)” on the definitions sheet. The wording is overly broad in scope, especially given that it refers to predicting insurance outcomes such as mortality, lapse, or fraud. Non-medical data are often used for these types of actuarial analyses, which is particularly concerning for policy lapses. *Suggested Language:* remove “an insurance outcome, such as mortality, likelihood of lapse, or likelihood or fraud” and replace it with something more precisely linked to AUW (e.g. “predict insurance risk acceptance or risk classification”).

### DEFINITIONS DOCUMENT

- For the “algorithm” definition, the AI bulletin definition is preferred as it is more precise and fit for purpose.
- For the “AI” definition, the AI Bulletin definition is preferred.
- For the “Machine Learning” (ML) definition, the NAIC Accelerated Underwriting in Life Insurance Educational Report definition is preferred.
- For the “predictive modeling” definition, the AI Bulletin definition is preferred.

Happy to elaborate further if needed and thank you again for the opportunity!

Thanks,

Kirsten (KirstenWolfford@acli.com)