5/12/2025

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Big Data and AI (H) Working Group
AI Request for Information

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Following the adoption of the Principles of Artificial Intelligence in 2020, the drafting and adoption of the Model Bulletin on the Use of Artificial Intelligence (AI) Systems by Insurers in 2023 was envisioned as an important first step in establishing regulatory expectations on the use of AI, but not the last step.

POSSIBILITY OF A MODEL LAW

Since 2021, the Working Group has been surveying insurance companies and monitoring state actions to protect consumers related to the insurance industry's use of AI Systems. While these actions may be beneficial to consumers locally, the Working Group would like to solicit member feedback on the possibility of a Model Law on the use of AI in the insurance industry. Accordingly, input on the following questions may help the regulators evaluate next steps:

1. Do stakeholders have any general reaction to the possibility of a model law discussion within the Working Group?
2. Are there other goals that should be considered outside of codifying regulatory expectations consistently across the states to protect consumers against risks posed by the use of AI?
3. Assuming AI Systems will continue to evolve and enhance at a rapid pace, are the existing laws and regulations sufficient to protect consumers from potential unfair discrimination or unethical practices that could arise from an insurance company's use of AI?
4. At the Working Group's Spring National Meeting on 3/25, the Chair and his staff provided an overview of several key concepts that could be considered in a model law discussion. The presentation materials from that discussion are included for reference. Do stakeholders have any reaction to the three pillars (Governance, Transparency, and Accountability) and/or specifics included within each pillar?
5. If the regulators were to consider a model law, should discussions consider all lines of insurance to ensure as much consistency as possible, or proceed on a line of business basis?
6. Given feedback from industry representatives about the amount of staff resources that could be devoted to implementing a governance program, the ability and effectiveness of smaller insurance companies in negotiating with third-party vendors, and the number of policyholders affected by small vs. large insurers, should requirements vary by company size? If so, provide details about how governance, transparency, and accountability should vary by company size?
7. Should an AI Model Law include third-party vendors or should AI systems provided by third-party vendors be addressed in a separate Model Law?
8. As the Working Group considers the possibility of a model law, are there specific state(s) legislation that the Working Group should consider in part or in whole to guide the Working Group's discussions?

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CONFIDENTIAL AI REGULATORY EXAMINATION TOOLS

Regulators are working to develop an AI Regulatory Examination Tool that would be used in the context of 1) a regulatory examination or investigation and 2) an insurance company self-assessment. The aim of such a tool would be to better understand how and to the extent that AI is used in insurer operations, the potential for risk of adverse consumer outcomes, and governance and mitigation practices. Input on the following questions will be helpful:

9.   Which industry standard template(s) should/could be considered as reference in content, form(s), structure, etc. in developing an AI evaluation questionnaire tool?

10.   Are there non-insurance industry standard template(s)/questionnaire tools that could be adapted and leveraged to be beneficial for insurance industry use?

Note that the information requested in an AI Regulatory Examination Tool would be subject to the confidentiality protections of the process in which the tool is used. If used in a financial exam or a market conduct inquiry, it would be subject to the protections under those procedures.

COMMENT PERIOD

Any stakeholder wishing to provide comments regarding this request for information should submit them in writing to Miguel Romero (maromero@naic.org) within a 25-day comment period ending Monday, June 9. Comments will be made public upon completion of the comment period.