2021 Fall National Meeting
San Diego, California

BIG DATA AND ARTIFICIAL INTELLIGENCE (EX) WORKING GROUP
Monday, December 13, 2021

Meeting Summary Report

The Big Data and Artificial Intelligence (EX) Working Group met Dec. 13, 2021. During this meeting, the Working Group:

1. Reviewed its 2022 proposed charges, which include:
   A. Researching the use of big data and artificial intelligence (AI) in the business of insurance.
   B. Evaluating existing regulatory frameworks for overseeing and monitoring the use of big data and AI.
   C. Reviewing current audit and certification programs and/or frameworks that could be used to oversee insurers' use of consumer and non-insurance data and models using AI.

2. Heard a presentation from an insurance regulatory advisory on how to leverage the lessons learned in developing the regulatory framework for cybersecurity to the development of a regulatory framework for AI

3. Heard two presentations from Monitaur and SigmaRed on how state insurance regulators could regulate AI, including how to monitor and mitigate AI bias and enable AI transparency.

4. Heard a presentation on the preliminary, aggregate analysis of industry responses to the private passenger auto (PPA) AI/machine learning (ML) survey on insurers' use and governance of big data, as used in an AI/ML. The survey was conducted under the examination authority of Connecticut, Illinois, Iowa, Louisiana, Nevada, North Dakota, Pennsylvania, Rhode Island, and Wisconsin. The survey was distributed to PPA insurers with national premium greater than $75 million. The survey asked a threshold question of whether a company is using or contemplating using AI/ML. This question was then followed by questions related to the operational areas of rating, underwriting, claims, fraud detection, marketing, and loss prevention. For each operational area, additional questions were asked related to specific uses, level of deployment, level of decisions influenced, governance, and types of data used. One hundred ninety-two companies responded to the survey, and the analysis of the survey is ongoing.

5. Discussed the next line of insurance to survey, which included a discussion of conducting surveys for both homeowners and life insurance at the same time. The Working Group will identify state subject matter experts (SMEs) to begin discussions for these two lines while finalizing the analysis of PPA survey.

6. Discussed the development of a 2022 work plan to help provide continuity and continued dialogue as this Working Group moves under the new Innovation, Cybersecurity and Technology (H) Committee.

7. Heard a summary of a paper from the American Academy of Actuaries (Academy) titled *Big Data and Algorithms in Actuarial Modeling and Consumer Impacts*. The paper proposes a framework on how the actuarial profession, in collaboration with state insurance regulators, can address the needs for the ethical and responsible use of AI.

BDA! WG Summary

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Virtual Meeting

SPEED TO MARKET (EX) WORKING GROUP
Tuesday, November 16, 2021

Summary Report

The Speed to Market (EX) Working Group met Nov. 16, 2021. During this meeting, the Working Group:

1. Adopted its June 30 and June 29 minutes, which included the following action:
   A. Adopted its March 10 minutes.
   B. Heard an update from the Information Technology Group (ITG).
   C. Discussed and considered the suggestions received for updates to the Product Coding Matrix (PCM) and Uniform Transmittal Document.

2. Adopted the *Regulatory Review of Predictive Models* white paper edits to Chapter Three of the *Product Filing Review Handbook*. These proposed edits were previously adopted by the Casualty Actuarial and Statistical (C) Task Force, which was charged with proposing modifications to reflect current best practices for the regulatory review of Generalized Linear Models (GLM) predictive analytics.

3. Discussed contacts and resources for updates to the Product Requirements Locator (PRL) tool.

Speed to Market Fall 2021 Summary Report