

*2023 Summer National Meeting
Seattle, Washington*

BIG DATA AND ARTIFICIAL INTELLIGENCE (H) WORKING GROUP

Sunday, August 13, 2023

8:00 – 9:00 a.m.

Meeting Summary Report

The Big Data and Artificial Intelligence (H) Working Group met Aug. 13, 2023. During this meeting, the Working Group:

1. Adopted its Spring National Meeting minutes.
2. Received updates on the home artificial intelligence (AI)/machine learning (ML) public report and the life AI/ML survey. The survey was conducted under the market examination authorities of 10 requesting states (Connecticut, Illinois, Iowa, Louisiana, Nevada, North Dakota, Pennsylvania, Rhode Island, Vermont, and Wisconsin) and completed by insurers who write home insurance in one of the 10 participating states and have at least \$50 million in national homeowners insurance premium for 2020. Out of 194 companies completing the survey, 136 companies currently use, plan to use, or plan to explore using AI/ML as defined for this survey. This equates to approximately 70% of reporting companies. For comparison, approximately 88% of the companies responding to the private passenger auto (PPA) survey reported they currently use, plan to use, or plan to explore using AI/ML. Among insurer operations areas, companies reported varying levels of AI/ML use, from 14% in the loss prevention area to 54% in claims operations. From maximum to minimum use, the percentage of companies using AI/ML by insurer function were: claims, 54%; underwriting and marketing, both at 47%; fraud detection, 42%; rating, 35%; and loss prevention, 14%. The top two most popular reasons reported for not using, not planning to use, and not exploring the use of AI/ML were “no compelling business reason,” and “waiting for regulatory guidance.”
3. Heard a presentation on generative AI, which addressed how generative AI currently works, the emerging capabilities of generative AI, how to measure and mitigate AI risk, insurance industry examples of the benefits of AI, and common AI terms and definitions.