

Consider Adoption of its Spring National Meeting Minutes

Attachment One

Commissioner Michael Yaworsky (FL)

Draft Pending Adoption

Attachment One
Innovation, Cybersecurity, and Technology (H) Committee
8/13/25

Draft: 4/9/2025

Innovation, Cybersecurity, and Technology (H) Committee
Indianapolis, Indiana
March 26, 2025

The Innovation, Cybersecurity, and Technology (H) Committee met in Indianapolis, IN, March 26, 2025. The following Committee members participated: Barbara D. Richardson, Chair (AZ); Karima M. Woods, Co-Vice Chair (DC); Michael Yaworsky, Co-Vice Chair (FL); Michael Conway (CO); Trinidad Navarro represented by Stephen Taylor (DE); Jerry Bump (HI); Doug Ommen (IA); Marie Grant (MD); Angela L. Nelson represented by Jo A. LeDuc and Cynthia Amann (MO); Mike Chaney represented by Andy Case (MS); James E. Brown (MT); Jon Godfread and Colton Schulz (ND); Judith L. French (OH); Michael Humphreys, David Buono, and Shannen Logue (PA); and Elizabeth Kelleher Dwyer (RI). Also participating were: George Bradner, Kristin Fabian, and Wanchin Chou (CT); Eric Dunning (NE); Carter Lawrence (TN); and Eric Lowe (VA).

1. Adopted its 2024 Fall National Meeting Minutes

Commissioner Conway made a motion, seconded by Commissioner Brown, to adopt the Committee's Nov. 19, 2024, minutes (*see NAIC Proceedings – Fall 2024, Innovation, Cybersecurity, and Technology (H) Committee*). The motion passed unanimously.

2. Adopted the Third-Party Data and Models (H) Task Force's 2024 Fall National Meeting Minutes

Director Dwyer made a motion, seconded by Commissioner Yaworsky, to adopt the Third-Party Data and Models (H) Task Force's Nov. 18, 2024, minutes (*see NAIC Proceedings – Fall 2024, Innovation, Cybersecurity, and Technology (H) Committee*). The motion passed unanimously.

3. Adopted the Reports of its Task Force and Working Groups

A. Big Data and Artificial Intelligence (H) Working Group

Commissioner Humphreys provided the report on the Big Data and Artificial Intelligence (H) Working Group's 2025 meetings and plans.

Commissioner Humphreys said that the Working Group met March 25 and adopted its March 11 minutes. During its March 11 meeting, the Working Group took the following action: 1) adopted its 2024 Fall National Meeting minutes; 2) received an update on the health artificial intelligence (AI)/machine learning (ML) survey; 3) reviewed its 2025 charges, including those of the AI Systems Evaluation Workstream; 4) discussed updates to the regulatory framework for the use of AI systems; and 5) discussed a preview of its Spring National Meeting agenda.

During its March 25 meeting, the Working Group also heard a presentation on the preliminary results from the health AI/ML survey. The health AI/ML survey continues the series of AI surveys issued by regulators, with previous surveys covering life, auto, and homeowners lines of business. The full report of the health AI survey is anticipated to be issued in April. The health AI survey specifically focused on major medical and student health plans, with 93 companies surveyed by 16 participating states. High-level findings show that 83% of the respondents actively use

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AI, with another 9% planning implementation. The increased utilization compared to past surveys is attributed to the recency of this health AI/ML survey.

Commissioner Humphreys next spoke about the Working Group's efforts to look at the creation of risk evaluation tools that could include changes to market and financial exams, Market Conduct Annual Statement (MCAS) data submissions, development of evaluation metrics, guidance, and tools on regulator expectations on the use of AI. The Working Group has been leading discussions to consider what the regulatory framework might look like in the future, given the use of AI in the insurance industry.

The Working Group also heard a presentation from NAIC staff on how missing data is treated and its implications in ratemaking. The discussion covered examples of situations where missing data can arise and how it may be treated in ratemaking. It was noted that a "missing" or an "unknown" category may not satisfy Actuarial Standard of Practice (ASOP) 12, *Risk Classification (for All Practice Areas)*, as a valid risk characteristic since it may represent a heterogeneous group of risks. Including such categories may result in biased rating plan factors.

Director Richardson commented that the Working Group's presentation during its meeting included a mention of a possible self-audit questionnaire. The tool may benefit regulators as a tool to be used during exams and may also be a tool companies can use to help with their risk-benefit analysis as they integrate AI into their processes. Such tools could add to those already available to regulators via NAIC exam handbooks. Tools could be developed leveraging risk-focused concepts already built into many NAIC processes.

Director Richardson asked for public input, for example, on whether there is a desired means or existing format companies should use to provide governance information to regulators. Director Richardson drew a comparison to the Own Risk and Solvency Assessment (ORSA) and Corporate Governance Annual Disclosure reports as possible templates to be leveraged.

Peter Kochenburger (NAIC Consumer Representative) asked for clarification on the possibility that new exam tools could be driven by risk-focused analysis and whether that included consideration of risk to policyholders. Director Richardson responded that regulators already evaluate company operations based on risk, which includes consideration of controls to mitigate risk, and acknowledged that the consideration of risk includes a consideration of risk to policyholders.

Dave Snyder (American Property Casualty Insurance Association—APCIA) thanked the Committee for the opportunity to give input on the discussion and asked about how the regulatory discussion on AI would proceed and how industry could give input. Director Richardson noted that the Working Group will ultimately drive initial discussions. Commissioner Humphreys noted that there would be more opportunities for input as the Working Group's deliberations continue. Miguel Romero (NAIC) noted that industry members should consider how they want to provide information to regulators on their use of AI, as that sort of input may help inform future discussions at the working group level.

B. Cybersecurity (H) Working Group

Amann gave an update on the Cybersecurity (H) Working Group's work. She said that the Cybersecurity (H) Working Group met Feb. 20. During this meeting, the Working Group heard a presentation from Cowbell, a leader in cyber insurance for small and medium-sized enterprises. The presentation provided an overview of the cyber

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risk landscape, insurance market, coverages, and effective risk management practices for small and medium-sized enterprises in the healthcare and financial services industry.

Amann reported that the Working Group also met March 13 and discussed its work plan for 2025, which includes several projects for the year. The first project is to identify key data elements related to both cybersecurity and cyber insurance. She said that cyber coverage is reported in several places in the annual statement, quarterly statements, and cyber blank. The Working Group will evaluate all information reported to ensure the information reported fully meets regulatory needs. She said the Working Group would collaborate with the Casualty Actuarial and Statistical (C) Task Force and the Statistical Data (C) Working Group on data-related discussions. The Working Group will also continue with discussions to study the feasibility of creating a centralized portal to receive cybersecurity incident notifications at the NAIC. The Working Group believes a notification portal will help to streamline the reporting process and effectively solve the one-to-many problems the industry has reporting cyber security events to regulators.

Amann closed by mentioning that the Working Group will also be working to build and facilitate NAIC cybersecurity tabletop exercises as a way to address a referral asking the Working Group to comment on the way regulators review for compliance with the *Insurance Data Security Model Law* (#668) and create cybersecurity training for regulators.

C. Privacy Protections (H) Working Group

Director Dwyer provided an update on the Privacy Protections (H) Working Group's ongoing work to develop an updated draft of the *Privacy of Consumer Financial and Health Information Regulation* (#672).

She said that following the 2024 Fall National Meeting, the Privacy Protections (H) Drafting Group met Dec. 19, 2024, in open session and heard comments on Article III, Section 6—Access, Correction, and Deletion of Nonpublic Personal Information, Section 7—Sale of Nonpublic Personal Information, and Section 8—Use and Disclosure of Sensitive Personal Information of Model #672.

The Working Group also met Jan. 17, 2025, in regulator-to-regulator session, pursuant to paragraph 6 (consultations with NAIC staff members related to NAIC technical guidance) of the NAIC Policy Statement on Open Meetings, to discuss Article III and next steps for drafting. As a result of these meetings, the Working Group released a revised Article III, which can be found on the Working Group's web page under "Exposures." Comments are not being requested on Article III at this time. There will be a public comment period following the next exposure of the complete revised draft of Model #672.

The Privacy Protections (H) Drafting Group met Feb. 28 in open session and heard comments on Article IV, Section 9—Initial Privacy Notice to Consumers Required; Section 10—Annual Privacy Notice to Customers Required; Section 11—Information to be Included in Privacy Notices; Section 12—Form of Opt Notice to Consumers and Opt Out Methods; Section 13—Revised Privacy Notices; Section 14—Privacy Notices to Group Policyholders; and Section 15—Delivery of Model #672.

Director Dwyer said the Working Group did not meet at the Spring National Meeting; however, the Drafting Group continues to make steady progress revising Model #672 section-by-section and will continue to hold open and regulator-only meetings as needed. The Drafting Group will submit the full revised draft of Model #672 to the Working Group for consideration and exposure once the section-by-section review is complete.

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D. SupTech/GovTech (H) Subgroup

Bradner provided an overview of the SupTech/GovTech (H) Subgroup's work. He said he would co-chair the Subgroup with Lori Dreaver Munn (AZ) in 2025. The Subgroup operated informally last year but is now formally structured as a Subgroup of the Committee. The Subgroup now has charges and a public page on the NAIC's website. Bradner also said that because the Subgroup's focus is on educational discussions, it anticipates generally meeting in regulator-only settings. To make sure that this work proceeds in a way that serves the NAIC's members, the Subgroup is going to survey regulators to understand both opportunities for solutions and pain points so that any solutions explored are responsive to member needs. The Subgroup is hoping to move quickly enough to meet in April.

E. Third-Party Data and Models (H) Task Force

Commissioner Conway provided a report on the work of the Third-Party Data and Models (H) Task Force. He said that going forward, Jason Lapham (CO) will serve as the chair and noted that the Committee is converting the Task Force into a working group. He said the soon-to-be Working Group anticipates meeting soon after the Spring National Meeting once it has time to discuss the results of a regulator survey to obtain input on its work.

F. Data Call Study Group

Schulz provided an overview of the plans for the Data Call Study Group in 2025. He said the Data Call Study Group is first creating an inventory of the various data elements collected by the NAIC/regulators and their definitions. NAIC staff are currently generating an extensive index of the data elements captured in statutory financial statement filings along with definition references to NAIC publications. As the study group's chair, Schulz is organizing some volunteer regulators to begin a similar index of data elements and definitions from prior state data calls. NAIC staff and study group members will next finalize an index and definitions for additional NAIC data sets, including the MCAS data elements. Once the indexing work is completed, the Data Call Study Group will meet in regulator-only sessions (because specific data calls or company-specific data may be discussed) to compare the existing data elements to express regulator needs and identify any gaps. Upon completion of this gap identification work, the study group will bring in industry representatives from key insurers and trade associations to review the regulators' list of data element gaps and their definitions and provide comments. The Data Call Study Group will finalize its list of needed data elements and definitions, after which this work will move to operationalizing this data collection.

Schulz concluded his report by reminding meeting attendees that the purpose of the study group is to help drive discussions to reduce the number of ad hoc data calls requested by different states at different times using inconsistent definitions and promote more consistency in those ad hoc data calls while improving regulators' data in terms of elements collected, timeliness, and consistency.

Director French made a motion, seconded by Commissioner Grant, to adopt the report of the Big Data and Artificial Intelligence (H) Working Group (Attachment One), Cybersecurity (H) Working Group (Attachment Two), and Privacy Protections (H) Working Group. The motion passed unanimously.

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4. Adopted its Revised Charges

Director Richardson said that consistent with several other changes to NAIC groups, the Committee intends to convert the Third-Party Data and Models (H) Task Force into a working group. She said no changes would be made to the work, which continues to be a priority. Director Richardson also thanked Colorado and Florida for continuing to serve in leadership roles to guide the work going forward.

Commissioner Yaworsky said this was a good decision to make, given the technical focus of the work.

Commissioner Conway made a motion, seconded by Commissioner Yaworsky, to adopt The Committee's revised charges, including converting the Third-Party Data and Models (H) Task Force into a working group. The motion passed unanimously.

5. Heard a Presentation from Travelers on the Responsible Use of AI

David McMichael (Travelers) said that Travelers' Responsible Use of AI Framework is built around four pillars: people-centricity, fairness, responsibility, and trustworthiness. Those pillars are supported by 12 principles: human oversight, privacy and security, diverse perspectives, lawful use, fair access, bias mitigation, accountability, governance, monitoring, transparency, explainability, and proportionality.

McMichael emphasized the importance of human oversight, especially in decisions directly impacting customers. He detailed the collaborative process between modelers and technology teams for ongoing monitoring and implementation.

Regarding the *Model Bulletin on the Use of Algorithms, Predictive Models, and Artificial Intelligence Systems by Insurers* (AI Model Bulletin), McMichael said Travelers likes the principles-based and risk-based perspectives the AI Model Bulletin takes. He said this allows for the proper balance between effective use of resources and effective risk mitigation. He said he also appreciated the adoption of the AI Model Bulletin by 24 states, which ensures regulatory consistency. Lastly, he said he liked that the AI Model Bulletin leveraged existing authority.

McMichael closed with comments on Travelers' model governance processes. He said that the company conducts comprehensive reviews of its models, running them through a multidisciplinary process that includes, as appropriate, peer legal, actuarial, and data science assessments that span the entire model life cycle. He said the company's model governance is embodied in its model risk management (MRM) framework. There are also several critical elements of the model risk management framework, including: 1) a document called Travelers Modeling Guidelines, which provides overall guidance throughout the model life cycle to the practitioners; 2) a risk assessment tool used to evaluate the risk level of each model; 3) a model checklist that specifies the required risk mitigation controls based on the risk level of the model; and 4) the official inventory of the models.

Chou thanked Travelers for presenting to the Committee. Chou noted that financial exams do already include procedures to review enterprise risk management (ERM) programs. Chou also noted that Actuarial Standards of Practice (ASOPs), including ASOPs No. 38 – Catastrophe Modeling (For All Practice Areas) and No. 56 – Modeling, are also relevant resources.

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Director Richardson asked about the factors that drive decisions to have humans in the loop with Travelers' use of AI. McMichael said that the company thinks about how closely coupled the decision is to the customer impact and that whenever there is a direct impact on customers, for instance, related to pricing or underwriting decisions, humans are involved in the review process.

Eric Ellsworth (NAIC Consumer Representative) then asked if McMichael could comment on the company's processes for integration testing. McMichael said that testing is a part of the model implementation process from the outset and starts with an understanding of the need for a model, the quality of the data, and then a detailed evaluation of model performance at a variable-by-variable level. The company continues with testing post-implementation. Ellsworth then asked who owns the outputs. McMichael said it depends on the model but that it is usually a collaboration of sorts among several teams. He also stated that there is always a single point of contact for each model, but several people may be involved in addressing concerns.

Commissioner Yaworsky thanked McMichael for the thoughtful presentation. Director Richardson also thanked McMichael for the presentation and Travelers' willingness to put so much information about its use of AI on its website.

6. Heard an Update on Federal Activities

Shana Oppenheim (NAIC) gave a federal update on the areas of cybersecurity, regulatory harmonization, cyber insurance, data privacy, and AI. Oppenheim suggested that the more state regulators make progress in key areas, the better she is able to argue against federal pre-emption on key areas of regulatory interest.

Oppenheim noted that there is political will to take action, but the rest of President Trump's political priorities are focused on tax cuts and federal government reforms, so there may not be political will to take action soon.

Regarding cybersecurity, Oppenheim noted that President Trump has nominated Sean Plankey to lead the Cybersecurity and Infrastructure Security Agency (CISA), signaling a shift in focus toward risk reduction and addressing threats from China. Plankey, a former cybersecurity official and U.S. Cyber Command veteran, has advocated for stronger cybersecurity measures, including stricter "Know Your Customer" (KYC) rules for cloud providers and enhanced critical infrastructure protections. His nomination follows Republican criticism that the CISA has overreached, with some pushing for downsizing or eliminating the agency. Oppenheim also noted that the Office of Personnel Management is investigating whether cuts by the Department of Government Efficiency (DOGE) have created cybersecurity vulnerabilities, particularly concerning unauthorized access to government networks.

Regarding cybersecurity and regulatory harmonization, Oppenheim said that lawmakers continue to push for harmonization of cybersecurity regulations to ease compliance burdens. A recent House Committee on Homeland Security hearing underscored the growing challenge of fragmented cyber incident reporting requirements. Witnesses urged the Office of the National Cyber Director (ONCD) to lead efforts in streamlining these mandates to prevent the diversion of resources away from security priorities. The House-passed Continuing Resolution includes a \$4.3 million cut to CISA operations while extending the National Cybersecurity Protection System (NCPS) through September 2025. Meanwhile, DOGE's abrupt termination of key contracts has dismantled CISA red teams and reduced funding for critical cyber threat-sharing initiatives, raising national security concerns. Congress is also reviewing the effectiveness of the 2022 Cyber Incident Reporting for Critical Infrastructure Act

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(CIRCA), with lawmakers emphasizing the need to simplify compliance while maintaining security efficacy. Witnesses expressed concern over the SEC's cyber disclosure rule, arguing it may undermine national security.

Regarding cyber insurance and legislative developments, Oppenheim noted that cyber insurance has gained congressional attention, with Rep. Eric Swalwell (D-CA) exploring credentialed third-party cybersecurity contractors to aid small and medium-sized businesses in active cyber defense. Further, the Insurance Cybersecurity Act of 2025 has been reintroduced by Sen. John Hickenlooper (D-CO). The bill mandates that the National Telecommunications and Information Administration (NTIA) establishes a working group on cyber insurance to provide guidance for issuers, customers, and state insurance regulators regarding coverage evaluation.

Regarding data privacy and oversight, Oppenheim said that the House Committee on Energy and Commerce chair Rep. Brett Guthrie (R-KY) is drafting a new bipartisan data privacy bill following opposition to previous legislative efforts. The Committee also released a request for information (RFI), with comments due April 7, on these topics. Ranking Member Rep. Maxine Waters (D-CA) has also requested a U.S. Government Accountability Office (GAO) study on the impact of AI on the insurance industry, particularly in underwriting, claims processing, and risk assessment. The study will examine AI's effects on pricing, availability, and claims handling, especially in climate-related disasters. Additionally, it will evaluate regulatory oversight and data transparency issues. Lastly, Oppenheim stated that AI's role in cybersecurity remains a Senate priority, with CISA warning of AI-enabled zero-day vulnerabilities capable of widespread disruption at low cost. Hearings on AI's implications for cyber defense are expected to continue in the Senate Armed Services Cybersecurity Subcommittee.

Oppenheim concluded by saying that as cybersecurity threats evolve, federal policymakers are balancing regulatory simplification with security imperatives. The intersection of cyber insurance, data privacy, and AI-driven risk assessment continues to draw congressional attention, underscoring the importance of engagement from state insurance regulators in these ongoing discussions.

Kochenburger asked if any of the federal legislative efforts include the possibility of federal pre-emption. Oppenheim said that some legislative bills had pre-emption language, but they often included carve-outs for Gramm-Leach-Bliley Act (GLBA)-compliant parties and that, regardless, those bills did not pass and have not been reconsidered.

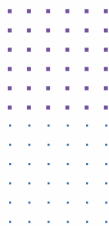
Having no further business, the Innovation, Cybersecurity, and Technology (H) Committee adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/H CMTE/2025_Spring/H-Minutes/Minutes-H-Cmte032625-Final.docx

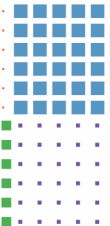
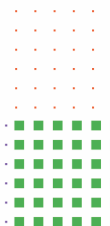
Consider Adoption of its Working Group Reports

Attachment Two

Commissioner Michael Yaworsky (FL)



2025 SUMMER NATIONAL MEETING
MINNEAPOLIS, MN



Attachment Two

Innovation, Cybersecurity, and Technology (H) Committee

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*2025 Summer National Meeting
Minneapolis, Minnesota*

BIG DATA AND ARTIFICIAL INTELLIGENCE (H) WORKING GROUP

Tuesday, August 12, 2025

11:00 a.m. – 12:00 p.m.

Meeting Summary Report

The Big Data and Artificial Intelligence (H) Working Group met Aug. 12, 2025. During this meeting, the Working Group:

1. Adopted its July 16 minutes. During this meeting, the Working Group took the following action:
 - A. Adopted its Spring National Meeting minutes.
 - B. Discussed an artificial intelligence (AI) systems evaluation tool.
 - C. Heard a preliminary summary of comments from the request for information (RFI) on a possible AI model law.
 - D. Heard a presentation on the use of agentic AI in the insurance industry.
2. Heard comments from interested parties on their responses to the RFI regarding a possible AI model law. The RFI was issued May 15 for a 45-day public comment period ending June 30. The Working Group received 33 written responses from state departments of insurance (DOIs), consumer representatives, health provider groups, trade organizations, InsurTechs, an advisory organization, and consultants. Fifteen organizations also provided verbal comments addressing topics such as: support of a possible AI model law; whether existing laws, regulations, and/or the *Model Bulletin on the Use of Artificial Intelligence Systems by Insurers* are sufficient; goals that should be considered in an AI model law; reactions to the three pillars of governance, transparency, and accountability; whether an AI model law should be general or vary by line of business; whether governance should vary by company size; whether an AI model law should address third-party AI data and model vendors; and recommendations to reference state legislation and other industry templates. The comments and feedback helped the Working Group better understand industry perspectives, concerns and rationales, as well as identify key information and decision points for consideration. The Working Group will use these insights to determine next steps in developing a possible AI model law.
3. Discussed next steps for the development of an AI systems evaluation tool. On July 16, the Working Group discussed an initial draft of this tool, which consists of four exhibits that allow regulators to progressively investigate AI governance, testing protocols, high-risk models, data sources, and financial implications while simultaneously serving as a checklist for insurers. The tool and each exhibit are optional, and regulators may tailor the questions as needed. On July 7, the Working Group exposed the tool for a 60-day public comment period ending Sept. 5.





2025 SUMMER NATIONAL MEETING MINNEAPOLIS, MN

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*2025 Summer National Meeting
Minneapolis, Minnesota*

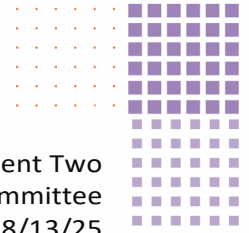
CYBERSECURITY (H) WORKING GROUP

Monday, August 11, 2025
2:30 p.m. – 3:30 p.m.

Meeting Summary Report

The Cybersecurity (H) Working Group met August 11, 2025. During this meeting, the Working Group:

1. Adopted its March 13 minutes. During that meeting, the Working Group took the following action:
 - A. Introduced and discussed the 2025 Cybersecurity Work Plan
 - B. Discussed the Cybersecurity Event Notification Portal project and preliminary conversations regarding the Chief Financial Regulator Forum Referral.
2. Adopted its July 15 minutes. During that meeting, the Working Group took the following action:
 - A. Discussed the Chief Financial Regulator Forum Referral Response by introducing the *Insurance Data Security Model Law* (#668) compliance and enforcement guide.
 - B. Heard an informative presentation from Coalition on the cyber threat actor known to most as Scattered Spider.
3. Heard comments from Members and Interested Parties on their response to the *Insurance Data Security Model Law* (#668) compliance and enforcement guide. The request for comments was issued on July 17 for a 20-day comment period that ended on August 6th. The Working Group received six written responses from state departments of insurance, trade organizations, and the Center for Internet Security. In the Working Group meeting, 3 organizations provided their verbal comments on whether they are in support of an effort to avoid duplication across and within departments while promoting regulatory convergence and standardization. The comments and feedback heard in the meeting helped the Working Group understand the viewpoints, concerns, and rationales from the different industry perspectives, and helped identify some key information and decision points to be considered. The Working Group will take the insights shared from the written and verbal comments on the document and re-expose for an additional public comment period.
4. Discussed next steps for the research and discussion of developing a Cybersecurity Event Notification Portal. Following the fall 2024 National Meeting, during which the Working Group made a motion to work with the NAIC staff to study the feasibility of creating a centralized portal at the NAIC for receiving cybersecurity event notifications to streamline the reporting process and effectively solve the one-to-many problem in the industry. The fragmented nature of current reporting methods has led to inefficiencies, delayed responses, and regulatory burden for licensees. Initial assumptions underestimated the complexity of state-level implementations of MDL #668. These disparities will require substantial legal research to ensure the portal accommodates each state's unique



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requirements while maintaining confidentiality and security. Legal research will continue to map state-specific implementations and identify harmonization opportunities, once the Working Group is confident in the portal's legal, development, and financial viability, a formal project memo will be published for full public comment.

5. Discussed the changes made to the Cybersecurity Insurance Coverage Supplement in 2024. The supplement underwent significant revision for the 2024 data year, eliminating the requirement for Identity Theft related reporting and the historic two-way split of reporting policies as either stand-alone or packaged. The supplement now requires a three-way split for cyber policies such as Primary, Excess, and Endorsement Coverage. The change was introduced to provide a more granular view of how cybersecurity insurance is structured and sold to improve the analytical clarity of the data collected, allowing regulators and stakeholders to better understand the nature and layering of cybersecurity coverage. However, the change also introduces complexity in data analysis and may impact comparisons with prior years.

Hear a Presentation from Sixfold on Human- Centered Use of Artificial Intelligence (AI)

Attachment Three
Jane Tran (Sixfold)

SIXFOLD.AI

AI for Insurance Underwriters



✓ Policy Approved

 Sixfold


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Mirage West Construction

12345 Havana Street, Washington DC, 20001 \$5 Million ~350 Employees Updated 12 hours ago

Commercial Auto

D&O

General Liability

+ Cyber

Risk Details

4 Meets Appetite
August 27th
[Quoted?](#)

13 Guideline signals found

7 Positive 3 Negative 3 Disqualifying

Profitable
Positive signal for the business being profitable for 5 years

NAICS 994884
Diamond Mining Most Likely Correct

Moving viol
More than 10 moving employees in the la

Commercial Auto Risk Overview

Mirage West Construction Inc. presents a high risk profile for Commercial Auto Insurance. Their diverse fleet and limited operational radius work in their favor, as do the robust safety measures in place.

PII/PHI Breach
Negative signal for a sm of PII and PHI.

MFA
This company does not factor authentication for

CISO
Positive signal for emplo Information Security Off

Data Breach History

The applicant has not been part of any data or security breach in the last 5 years.

Geographic Scope

Mirage West Construction operates in DC, providing construction for commercial properties, infrastructure, and industrial sites.

Industry Regulations

Mirage West Construction maintains strict compliance with all FAA, OSHA, and environmental regulations.



Sixfold's Underwriting AI Brain





Sixfold Preps the Case. Underwriters Make the Call.

MY JOB

Decision-Maker



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Tina Wendelboe

47-year-old Female
 2 hours ago

5'4 and 130 lbs
 135/85 mmHg
 180 mg/dL

Medical Risk Assessment

Tina Wendelboe is a 47-year-old former smoker with a complex medical history encompassing several well-managed chronic conditions. Her cardiovascular profile includes stable coronary artery disease treated with a stent, a resolved ischemic stroke with mild residual weakness, and a family history of early cardiac issues. She also manages moderate COPD and a past spontaneous pneumothorax. Her metabolic conditions include well-controlled Type 2 Diabetes and stable Stage 3 Chronic Kidney Disease. Additionally, Tina has well-controlled HIV infection and seropositive Rheumatoid Arthritis. Her current medication regimen is consistent with these conditions, though a review of anticholinergics might be beneficial.

Cerebrovascular Accident (CVA)

Ischemic stroke 2 yrs ago. Mild residual right arm weakness. Full recovery of speech. On Plavix for prevention.

Chronic Obstructive Pulmonary Disease (COPD)

Chronic Moderate COPD (GOLD Stage 2), dx 5 years ago. Managed with long-acting broncho-dilators. History of smoking.

Coronary Artery Disease (CAD)

Dx 3 yrs ago. 1-vessel disease treated with stent. Stable on statin, aspirin, & beta-blocker. No angina.

Rheumatoid Arthritis (RA)

Seropositive, dx 8 yrs ago. Well-controlled on Humira. Occasional mild joint pain. No significant deformities.

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Mirage West Construction

General Liability
 12345 Havana Street, Washington DC, 20001

Risk Details

Moderate Risk
January 27, 2025
[Quoted?](#)

Risk Overview

Mirage West Construction is a company that focuses on home renovations, particularly in the area of outdoor living. They offer services such as roof installations, deck building, and the addition of patio covers. The submission matches your risk appetite.

3 Guideline signals found

Written Safety Manual

Positive signal for having a written safety manual that employees must read and follow

Reported Loss History

This is a negative signal since the named insured has reported losses in their loss history.

New Residential

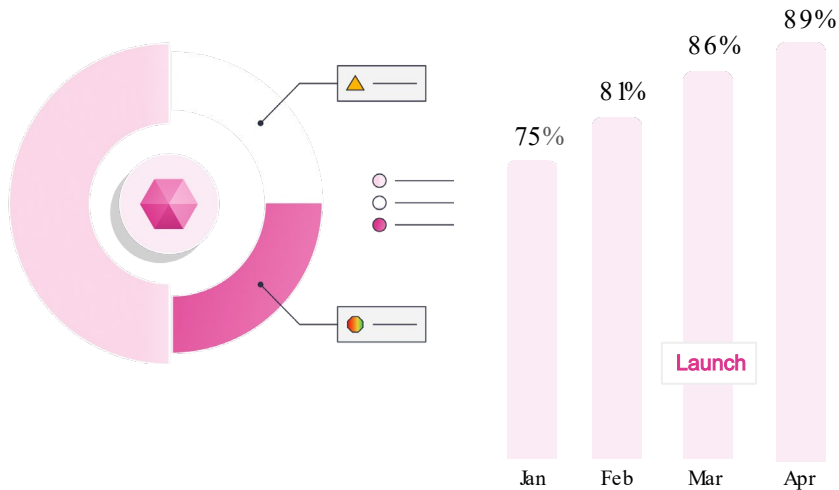
This is a negative signal since the named insured does perform new residential work and the named insured



**Trust + Transparency
= AI Adoption**



Underwriters Can Trust the Output



Accuracy Gains: From Pilot to Launch

AI adapts fast and keeps learning what your team looks for in a case.

Go-Live Accuracy
~85%

“We’ve confirmed that Sixfold captures very similar insights to our underwriters”



Underwriters Can Trace Every Insight

Potential risks associated with their operations include:

- Drawing plans, designs, or specifications for others: Yes
- Operations involving blasting or storing explosive materials: No
- Lending equipment to others: Yes

ApplicationGL.pdf, page 2 to work without a certificate of insurance:

No 1 3 

2. BUSINESS INFORMATION

2.1 Years in business under current management:

7 years

2.2 Number of employees (including officers/partners):

Full-time: 23 Part-time: 2 Seasonal: 0

2.3 Annual gross receipts/revenue:

Current year (estimated): \$2,300,000

Previous year: \$2,000,000

Two years ago: \$1,750,000

2.4 Detailed description of business operations, products manufactured, or services provided:

TechForward Solutions provides comprehensive IT consulting and software development services to mid-market businesses. Our primary services include: custom software development, cloud migration consulting, cybersecurity assessments, digital transformation strategy, and ongoing IT support. We work primarily with clients in healthcare, finance, and manufacturing sectors. Our team consists of software engineers, system architects, project managers, and cybersecurity specialists. We maintain offices in Austin, TX and work with clients both on-site and remotely. Typical project values range from \$25,000 to \$500,000 with implementation timelines of 3-18 months. All client work is performed under written contracts with defined scopes and deliverables.

2.5 Do you manufacture, sell, or distribute products?

☐ Yes ☒ No If yes, describe: N/A - Services only

2.6 Do you perform work at customer locations?

☒ Yes ☐ No If yes, percentage of work performed away from premises: 35%

3. COVERAGE INFORMATION

3.1 Policy period requested:

From: September 1, 2025 To: September 1, 2026

3.2 Limits of liability requested:



Sixfold's AI Fairness & Bias Testing

Background

Sixfold outputs facts and summaries, not decisions or scores, as it's meant to be decision support. Traditional fairness metrics don't apply to these kind of AI system

Objectives

1. Develop systematic bias detection methodology for non-decision AI systems
2. Ensure consistent treatment of identical medical cases across demographics
3. Meet legislation compliance requirements

Approach

Counterfactual testing method

Vary only patient demographics (race, gender)

Assess consistency in fact highlighting and summary framing

Initial Proof-of-Concept Test Results

86.6%

*Baseline Semantic Consistency
(vs 46% exact text matching)*

0

*Cases with High
Concern extraction*

10

*Cases with at least one fact
Added/Dropped vs Anchor*

Summary

10 cases showed factual differences, but none reached "high concern" threshold. Variations appear within normal operational bounds, not systematic bias. Strong baseline semantic consistency (86.6%) supports this conclusion.

Next Steps

Initial findings are encouraging, planning larger-scale validation study to confirm results.

Reflections on AI Model Governance

Governance still anchors on the core principles of explainability and “showing your work” for accountability

Insurers are only starting to consider how to embed regulatory AI expectations in third-party partnerships

Specifically, insurers could use more guidance on how to test AI models and what constitutes “good” and “bad”

Thank You!

 HELLO@SIXFOLD.AI

 SIXFOLD.AI

Hear an International Actuarial Association (IAA) Update on its AI Governance Framework

Attachment Four

Dorothy Andrews (NAIC)



International Actuarial Association
Association Actuarielle Internationale

Update of International Actuarial Association (IAA) Governance Framework

Dorothy L. Andrews, PhD, ASA, CSPA, MAAA

Senior Behavioral Data Scientist and Actuary
Research & Actuarial Services
National Association of Insurance Commissioners

Innovation, Cybersecurity, and Technology (H) Committee
Wednesday, 8/13/2025, 12:15 PM - 1:30 PM

IAA Paper
Artificial Intelligence
Governance Framework

A Comprehensive Governance
Framework on Artificial
Intelligence Actuarial Work



International Actuarial Association
Association Actuarielle Internationale

Agenda

- Purpose of the Framework
- Importance of AI Governance
- Ten Key Components of Framework
- AI Model Lifecycle Governance
- Bias \neq Fairness \neq Unfair Discrimination
- Algorithmic Bias Defined
- Training & Education

Purpose of the Framework

To provide educational material that helps actuaries in safeguarding responsible Artificial Intelligence (AI), while raising awareness of the risks that need to be managed when designing, developing, implementing, and using AI systems.



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Importance of AI Governance

Need for AI Governance:

- The potential for harmful bias
- Unintentional “behavior” of AI
- Misuse of data and models
- Address errors and weaknesses in AI
- Maintain consistency processes & services
- Meet regulatory expectations & requirements

Ten Key Components of Framework

© Roles and Responsibilities

© Board of Directors

© Committees & Policies

© Key Functions

© Model Owner

© Model Risk Ratings

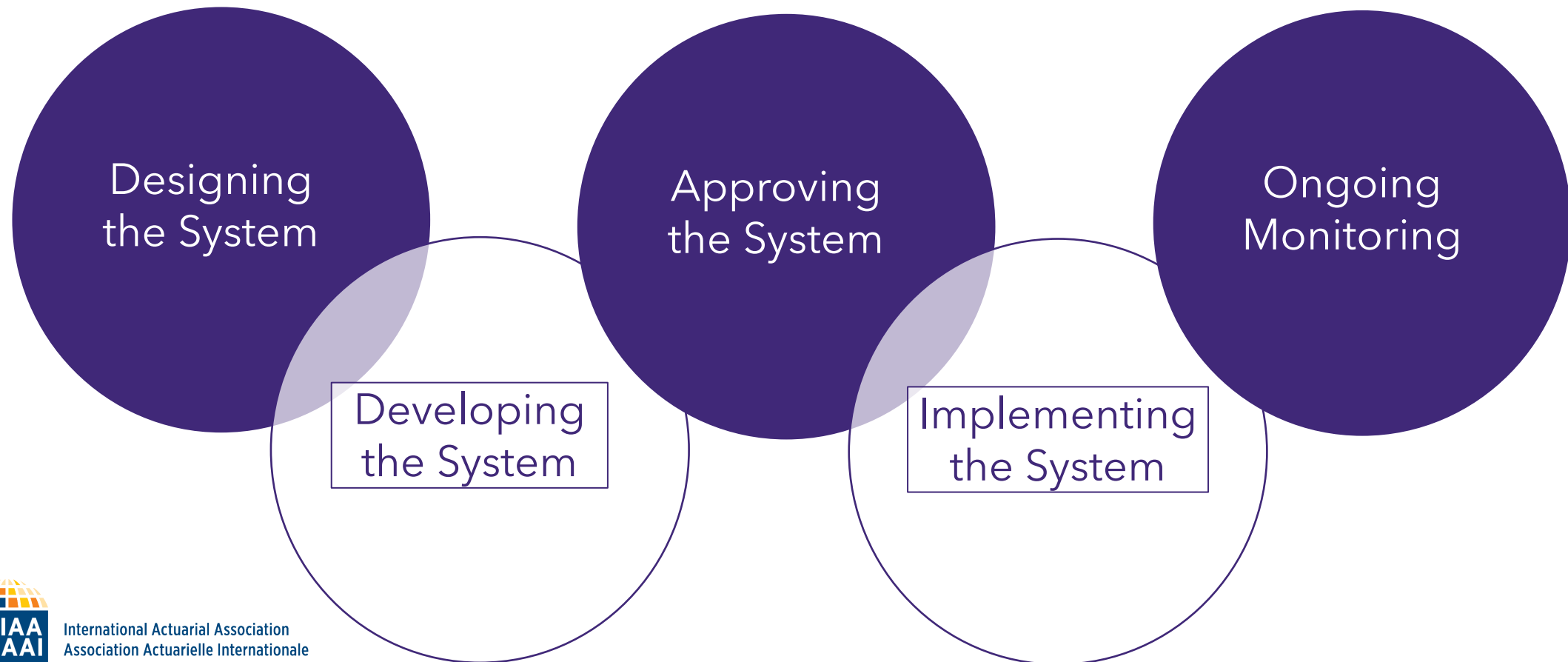
© Governance & Risk Mgmt. Processes

© Independent Validation of AI Models

© Third Party Vendor AI Models & Data

© Human Supervision and Oversight

Governance Over an AI Model Life Cycle



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Bias \neq Fairness \neq Unfair Discrimination

Don't Fuse or Confuse!



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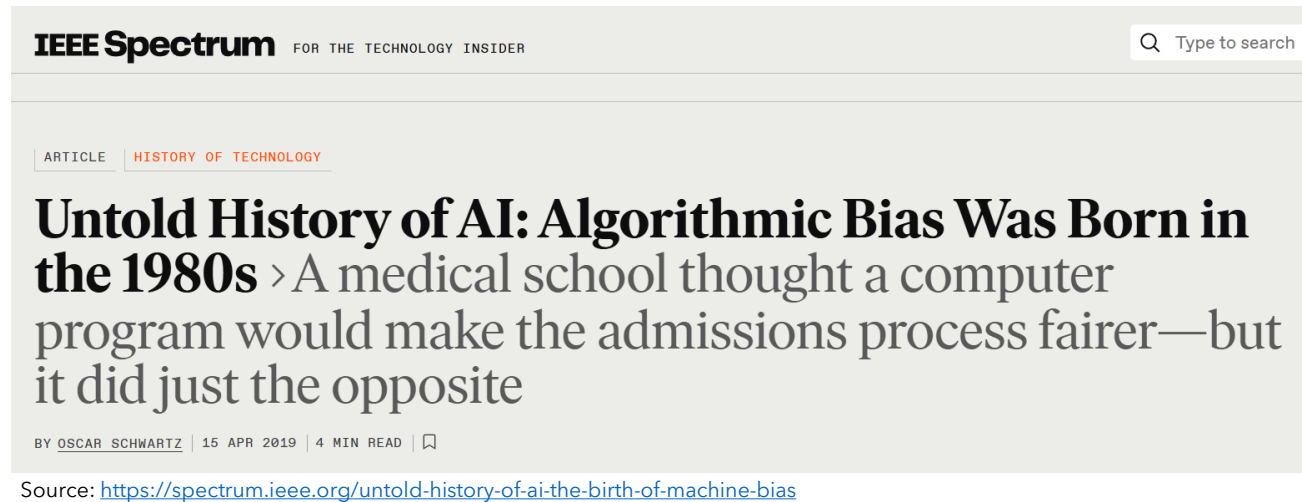
Algorithmic Bias Defined

What causes algorithmic bias?

Algorithmic bias is not caused by the algorithm itself, but by how the data science team collects and codes the training data. Specific causes include:

- Biases in training data
- Biases in algorithm design
- Biases in proxy data
- Biases in evaluation

Source: <https://www.ibm.com/think/topics/algorithmic-bias>



Algorithmic Bias is bias that is associated with the use of an algorithm but not caused by the algorithm.

— IBM

Training & Education

- © Executive Leadership
- © Senior Management
- © AI Practitioners
- © Data Scientists
- © Legal, Compliance & Risk Mgt.
- © Employee Awareness Training
- © Ongoing Education Programs

