National Association of Insurance Commissioners (NAIC) Principles on Artificial Intelligence (AI)

RECOMMENDS that insurance companies and all persons or entities facilitating the business of insurance that play an active role in the AI system lifecycle (hereafter referred to as "AI actors") adhere to these fundamental principles

CALLS ON all AI actors to promote and implement, according to their respective roles, the following principles for responsible stewardship of trustworthy AI.

UNDERLINES that the following principles are complementary and should be considered as a whole.

Fair and Ethical

a. AI actors should respect the rule of law throughout the AI lifecycle. This will include, but is not limited to, laws and regulations relating to trade practices, discrimination, promotion of fair access to insurance, underwriting and eligibility practices, ratemaking standards, advertising decisions, claims practices and solvency.

b. AI actors should proactively engage in responsible stewardship of trustworthy AI in pursuit of beneficial outcomes for consumers and society, such as augmenting human capabilities and enhancing creativity while continuing to respect cultural, social, and legal norms where they operate. The AI system should generate benefits for people that are greater than the cultural, social, and legal costs. AI systems must not be designed to harm or deceive people and should be implemented in a manner that minimizes negative outcomes.

Accountable

a. AI actors should be accountable for the proper functioning of AI systems and compliance with all stated principles, consistent with the actors' roles, the situational context, and evolving best practices. Any AI system must be appropriate in its use of data and algorithms during its phase of the lifecycle. AI actors are responsible for the creation and implementation of any AI system that must be identifiable and accountable for the impacts of the system, even if the impacts are unintended. AI actors should implement mechanisms and safeguards appropriate to ensuring all relevant laws and rules are followed, including ongoing human monitoring, and when appropriate, human intervention. Stakeholders should have access to resources which provide accurate information about their insurance data as well as a way to inquire or seek recourse for AI-driven decisions. This information should be plain, easy-to-understand and describe the factors that lead to the prediction, recommendation or decision.

Compliant

a.   AI Actors must have specific knowledge of all applicable federal and state insurance laws and regulations. AI actors must recognize that insurance is primarily regulated by the individual states and territories of the United States as by the federal government, and that AI systems must comply with the insurance laws within each individual jurisdiction. Compliance is required whether intentional or unintentional. Data used by AI systems must be retained and be able to be produced in accordance with each jurisdiction's requirements. Compliance with state and federal laws is an ongoing process, thus any AI system that is deployed must show consistent monitoring for compliance with laws and safeguards against outcomes that are either unfairly discriminatory or violate the agreed upon cultural, social, and legal standards.

Transparent

a.   AI actors should commit to transparency and responsible disclosures regarding AI systems to relevant stakeholders while maintaining the ability to protect confidentiality of proprietary algorithms and adherence to individual state regulations in all states where AI is deployed. To increase public confidence, AI actors must be transparent about the use of AI. This means making proactive disclosures to stakeholders including what data is being used, for what purpose and its consequences for stakeholders.

Secure, Safe and Robust

a.   AI systems should be robust, secure and safe throughout the entire life cycle so that, in conditions of normal use or reasonably foreseeable use or misuse, or other adverse conditions, the AI system can function accurately and appropriately. To this end, AI actors should ensure traceability in relation to datasets, processes, and decisions made during the AI system lifecycle. AI actors must also enable analysis of the AI system's outcomes and responses to inquiries as appropriate to the context, and in keeping with state-of-the-art technology, methods or processes.

b.   AI actors should, based on their roles, the situational context, and their ability to act, apply a systematic risk management approach to each phase of the AI system lifecycle on a continuous basis to address risks related to AI systems, including privacy, digital security, and unfair bias.