

NAIC FALL MEETING 2021

BIG DATA AND ARTIFICIAL INTELLIGENCE WORKING GROUP

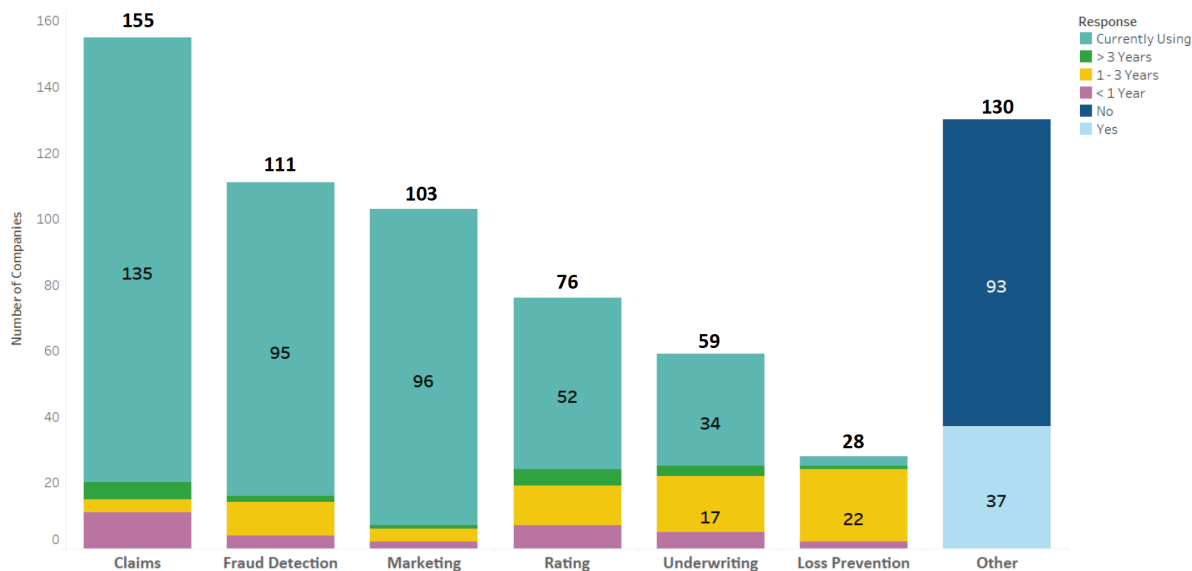


Iowa Insurance Commissioner, Doug Ommen, Chair of the
NAIC Big Data and Artificial Intelligence Working Group

The NAIC Big Data and Artificial Intelligence (EX) Working Group met on December 13, 2021 at 1:00 p.m. in San Diego, California during the NAIC Fall National Meeting. The meeting was chaired and called to order by Iowa Insurance Commissioner, Doug Ommen. A copy of the agenda can be found [here](#).

The working group heard several presentations during the afternoon. One of the primary presentations and discussions for the afternoon related to the working group's recently-released survey regarding private passenger automobile insurance relative to the industry's use of big data, artificial intelligence (AI), and machine learning (ML). Initially, the discussion focused on the purpose of the survey, which was to obtain an overview of what is currently being done throughout the marketplace by carriers relative to big data, AI, and ML. The survey was done on an anonymous basis with a line of insurance (private passenger automobile) that is primarily consumer facing - an insurance line the working group felt was appropriate so as to best understand the use of big data, AI, and ML and how it may directly impact consumers. The survey occurred in 9 states (Connecticut, Illinois, Iowa, Louisiana, Nevada, North Dakota, Pennsylvania, Rhode Island, and Wisconsin) and was sent to carriers collecting premiums totaling \$75 million or more based on 2020 annual financial statement filings. Information was not requested or provided on a state-by-state basis. The survey focused on the following areas: (1) rating; (2) underwriting; (3) claims; (4) fraud detection; and (5) marketing and loss prevention. A copy of the survey template is on the NAIC's website, along with FAQs and other related info and can be found [here](#).

Implementation Status by AI/ML Operational Area



Results and data submitted in response to the survey is just beginning to be analyzed. At a high-level, the working group anticipated receiving 188 responses to the survey; but thus far, 192 survey responses were submitted. Of those responses received as of mid-December, 168 companies are using, planning to use, or are exploring use of AI. Only 24 companies are not using AI. Going forward, the working group will be performing a detailed analysis and reporting back its findings and analysis back to the working group.

Finally, the working group explored the next line of business to survey regarding big data, AI, and ML. Two lines were primarily discussed: homeowners insurance and life insurance. Committee comments focused on the fact that if they only focus on homeowners insurance, the results will likely be coming from primarily the same companies that provided responses to the private passenger auto survey. The working group expressed a desire to look broader within the industry and have a better understanding as to the use of big data, AI, and ML beyond the companies already surveyed. The committee discussed how studying life insurance could bring another perspective to the working group as they seek to better understand these issues more broadly. They also considered how surveying consumer facing, personal lines (such as homeowners insurance) closely together in time makes sense from an overall data integrity perspective. Ultimately, the working group concluded with Commissioner Ommen indicating the working group is going to move forward with surveying both lines: homeowners and life insurance, in tandem.