National Council of Insurance Legislators (NCOIL)

Resolution Regarding the Use of Artificial Intelligence in Underwriting

*Sponsored by Sen. Neil Breslin (NY) & Rep. Matt Lehman (IN), NCOIL President

*Adopted by the NCOIL Special Committee on Race in Insurance Underwriting on July 15, 2021 and by the NCOIL Executive Committee on July 17, 2021.

WHEREAS, the National Council of Insurance Legislators (NCOIL) formed a Special Committee on Race in Insurance Underwriting (the Special Committee) on September 25th, 2020; and

WHEREAS, the Special Committee has held five public hearings and meetings over the past seven months to take testimony, discuss and evaluate these issues; and

WHEREAS, NCOIL remains opposed to unfair discrimination in all forms; and

WHEREAS, the Special Committee having heard testimony regarding the efficacy and impact of a wide variety of rating factors, and having considered that testimony; and

WHEREAS, the Special Committee has heard testimony indicating that the use of Artificial Intelligence has become increasingly prevalent in insurance underwriting and continues to grow; and

WHEREAS, the use of Artificial Intelligence in insurance underwriting falls beyond the charges to this Special Committee; and

NOW, THEREFORE, BE IT RESOLVED that NCOIL finds that underwriting is an ever-evolving, complex process; and

BE IT FURTHER RESOLVED that NCOIL believes that the use of Artificial Intelligence will surpass the use of individual factors in insurance underwriting; and
BE IT FURTHER RESOLVED that the Special Committee finds that NCOIL should undertake a review of the use of Artificial Intelligence in insurance underwriting through the committees of jurisdiction over each line of insurance to ensure that such use is not unfairly discriminatory.