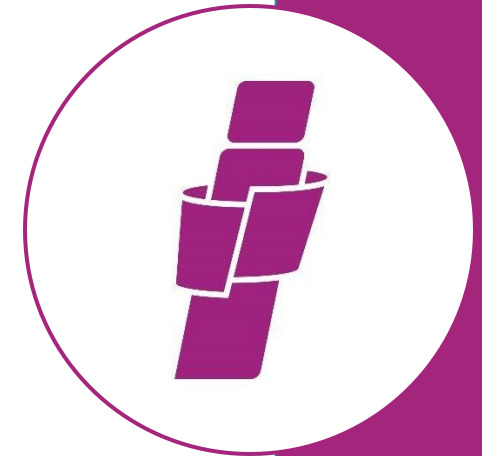
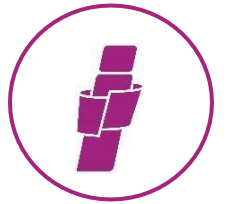


# AI Governance Guidance

Phase 1 - IBAC AI Working Group





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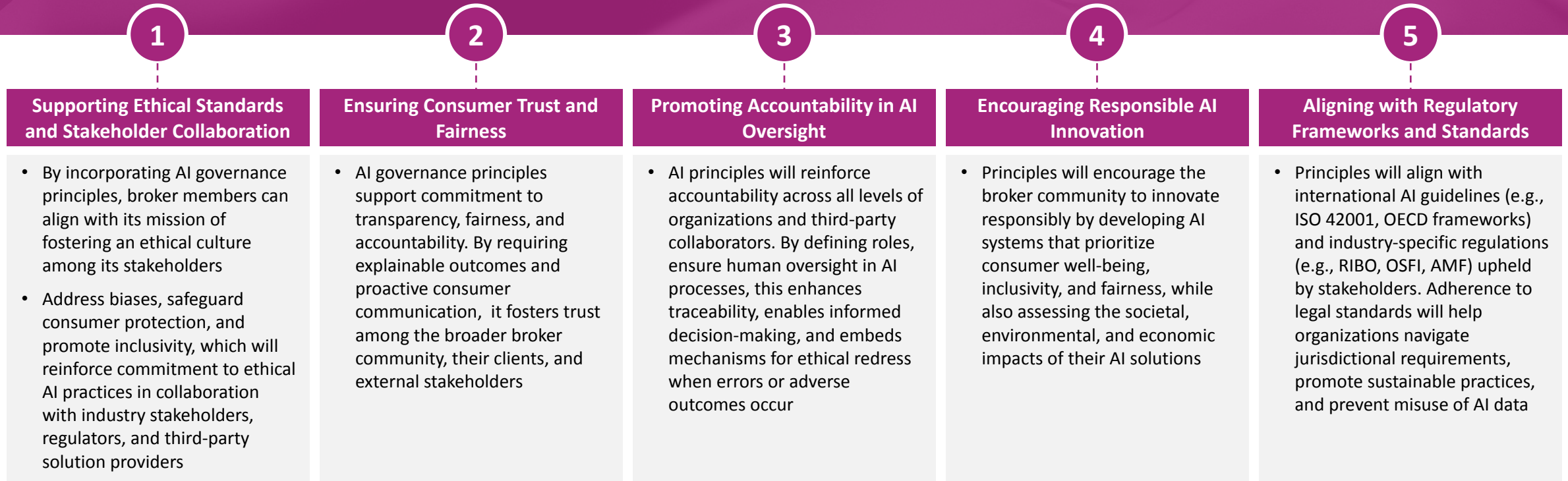
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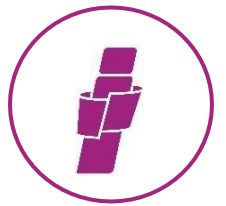


# The AI Guiding Principles are designed to support the broker community in reaching the following five objectives



**AI Principles also provide the following benefits to the broker community:**

- Promoting a unified understanding of AI's role within the broker community
- Guiding risk management practices, governance structures, and decision-making processes for AI usage within brokerages
- Providing actionable, practical guidance for broker teams to incorporate into all phases of AI development, including design, validation, deployment, and monitoring
- Enhancing cross-functional collaboration across brokers, regulators, industry groups, technology providers and member associations by fostering shared objectives and a common language when addressing AI-related topics



# KPMG’s Trusted AI Framework was used as the foundation for developing the AI Guiding Principles



**Fairness**  
AI solutions should be designed to reduce or eliminate bias against individuals, communities, and groups.



**Sustainability**  
AI solutions should be designed to be energy efficient, reduce carbon emissions, and support a cleaner environment.



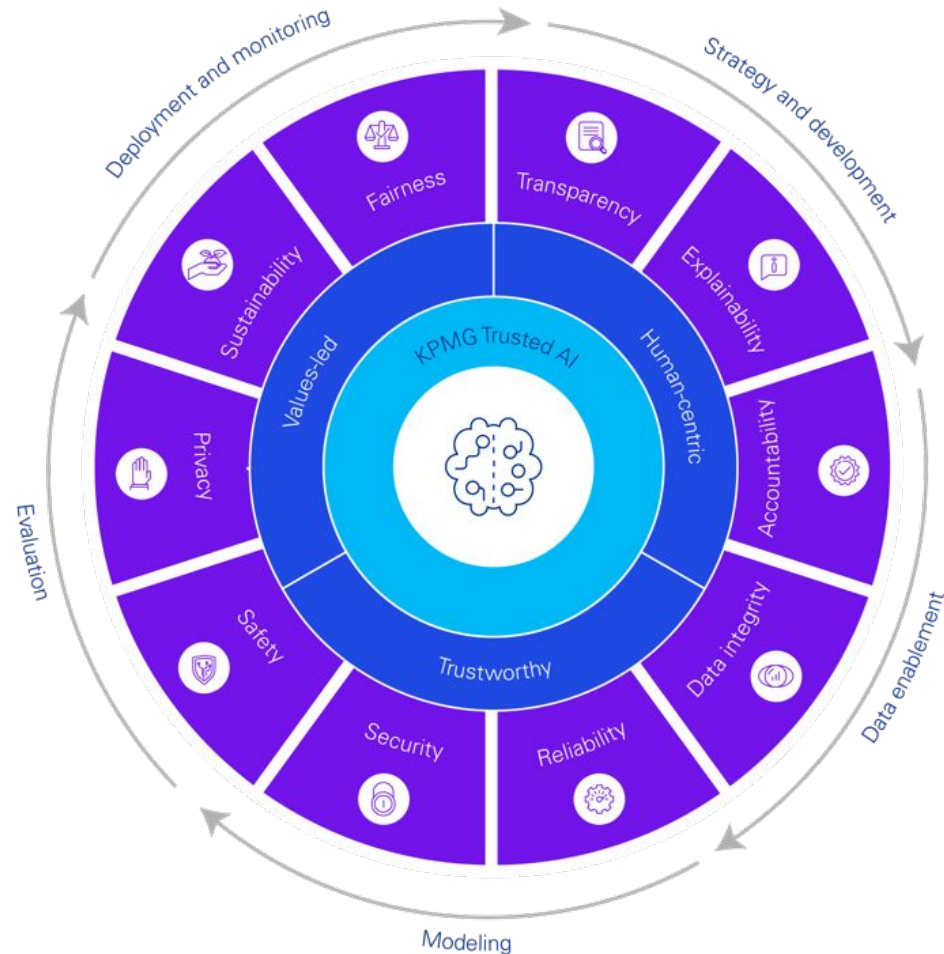
**Privacy**  
AI solutions should be designed to comply with applicable privacy and data protection laws and regulations.



**Safety**  
AI solutions should be designed and implemented to safeguard against harm to people, businesses, and property.



**Security**  
Robust and resilient practices should be implemented to safeguard AI solutions against bad actors, misinformation, or adverse events.



**Transparency**  
AI solutions should include responsible disclosure to provide stakeholders with a clear understanding of what is happening in each solution across the AI lifecycle.



**Explainability**  
AI solutions should be developed and delivered in a way that answers the questions of how and why a conclusion was drawn from the solution.



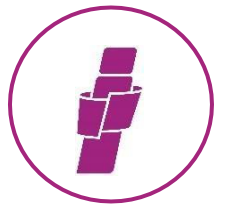
**Accountability**  
Human oversight and responsibility should be embedded across the AI lifecycle to manage risk and comply with applicable laws and regulations.



**Data Integrity**  
Data used in AI solutions should be acquired in compliance with applicable laws and regulators and assessed for accuracy, completeness, appropriateness, and quality to drive trusted decisions.



**Reliability**  
AI solutions should consistently operate in accordance with their intended purpose and scope and at the desired level of precision.

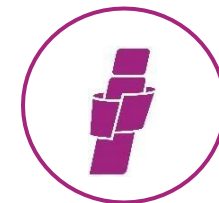


# Consolidated industry insights highlighted common key themes that further informed the AI Guiding Principles (1/2)

		Key Themes										
		1	2	3	4	5	6	7	8	9	10	11
		Collaboration	AI-Driven Efficiency & Service Enhancement	Consumer Protection	Risk Management	Maintaining Personal Connection	Data Accuracy & Governance	Regulatory Compliance & Codes of Conduct	Ethics & Responsible AI Usage	Training & Human Oversight	Environmental Impact & Sustainability	Governance & Accountability
Industry Guidance	RIBO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
	AMF			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
	OSFI	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
	BIBA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	OECD										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	IAIS				<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>
	ABI				<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

**RIBO:** Registered Insurance Brokers of Ontario, **AMF:** Autorité des marchés financiers, **OSFI:** Office of the Superintendent of Financial Institutions, **BIBA:** The British Insurance Brokers’ Association, **OECD:** Organisation for Economic Co-operation and Development, **IAIS:** International Association of Insurance Supervisors, **ABI:** Association of British Insurers

*The themes may not always be a direct match across all industry guidance. Please refer to the appendix for a summary of each industry’s guidance*



# Consolidated industry insights highlighted common key themes that further informed the AI Guiding Principles (2/2)

		Key Themes										
		12	13	14	15	16	17	18	19	20	21	22
		Transparency & Explainability	Fairness, Ethics, & Redress	Robustness, Security & Safety	Responsible & Trustworthy AI	Education & Strategy Development	Third-Party Vendor Risks	Operational, Legal & Cybersecurity Risks	Customer Engagement	Digital Transformation & Industry Evolution	Model Drift Management	Best Practices in AI Design, Deployment, & Oversight
Industry Guidance	RIBO	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>					
	AMF	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	OSFI	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
	BIBA				<input checked="" type="checkbox"/>							
	OECD	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
	IAIS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>								
	ABI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				

**RIBO:** Registered Insurance Brokers of Ontario, **AMF:** Autorité des marchés financiers, **OSFI:** Office of the Superintendent of Financial Institutions, **BIBA:** The British Insurance Brokers’ Association, **OECD:** Organisation for Economic Co-operation and Development, **IAIS:** International Association of Insurance Supervisors, **ABI:** Association of British Insurers

*Please refer to the appendix for a summary of each industry’s guidance*

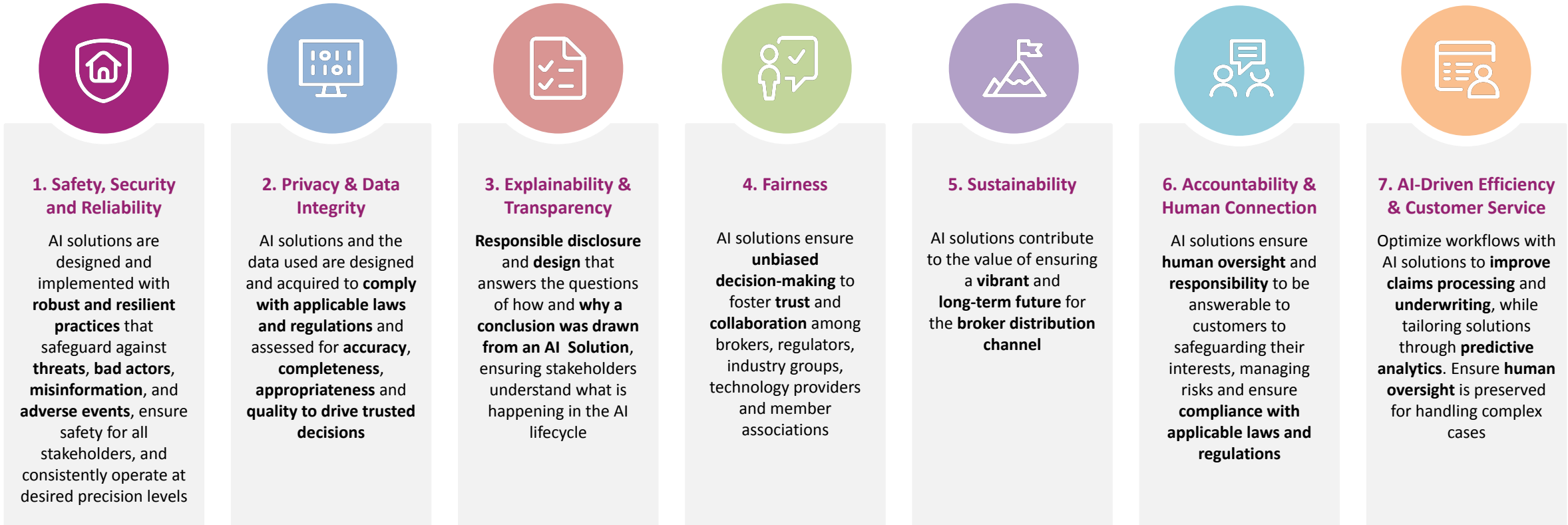


# Building on the industry-leading framework and insights, we have developed seven AI Guiding Principles, aligned with IBAC's values

IBAC Values



AI Guiding Principles





# Implementation plan for the AI Guiding Principles to support safe adoption of AI across the broker community

Where we are now: Developed AI Guiding Principles, from Industry insights and leading practices, to support Brokers on the responsible adoption of AI

Next steps for the broker community: Apply the Guiding Principles to ensure safe adoption of AI solutions

## Communicate

IBAC to communicate the finalized AI Guiding Principles to the broker community using the appropriate channels

## Approve

Brokers should review the draft Guiding Principles for validation, refinement, and approval

## Operationalize

Brokers should integrate the Guiding Principles into existing processes – for example, risk assessments, vendor risk assessments, and training

## Evolve

Brokers should continue to update the AI Guiding Principles in line with evolving regulations, AI capabilities, and stakeholder expectations. Reviewing them annually is considered leading practice



# Summary of high-level considerations for the other seven layers in the AI Governance Program

AI Governance Program Layers



Organizational Strategy (Please refer to the following slides for high-level considerations)



Defining AI Principles (Please refer to slide 7)



Policies & Standards (Please refer to the following slides for high-level considerations)



AI Intake process & Risk Assessment (Please refer to the following slides for high-level considerations)



Design, Implementation, & Control (Please refer to the following slides for high-level considerations)



Metrics, Monitoring, & Reporting (Please refer to the following slides for high-level considerations)



Training and awareness (Please refer to the following slides for high-level considerations)



Maintenance and Evolution (Please refer to the following slides for high-level considerations)

- Defining AI principles is a critical first step to lay the foundation for an end-user driven risk management approach. Guiding Principles ensure alignment of responsibilities and ethical boundaries within which AI systems should operate.
- For the other seven layers in the AI Governance Program, high-level considerations covering strategy, risk, compliance, and operational enablement are provided on the following slides



# Considerations for the Other AI Governance layers – Part 1

## 1. Organizational Strategy

- An AI Strategy aligns **business objectives** with a governance framework that integrates ethical, risk management, and compliance **throughout every phase of the AI lifecycle, from development to deployment.**
- It establishes **business goals** and a **scalable framework** for leveraging AI technology by outlining **key performance indicators, internal controls, training programs, and continuous feedback mechanisms.** This approach adapts to regulatory and technological changes, ensuring that AI is efficiently integrated and responsibly managed to mitigate **operational, ethical, and legal risks**

## 2. Policies & Standards

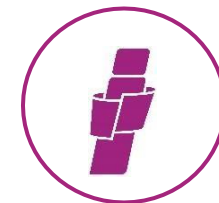
- An effective **AI policies and standards framework** should define operational, ethical, and regulatory guidelines
- A policy library should offer guidance across the entire **AI model lifecycle**—from design to post-deployment monitoring—to ensure trust and accountability
- By establishing **clear roles, performance measures, and change management protocols,** organizations can ensure all AI systems operate in alignment with both **internal leading practices** and **external reg requirements.** This approach fosters transparency, accountability, and trust throughout the AI lifecycle
- Develop and enhance policies – key policies to consider include:
  - AI Governance Policy
  - AI Acceptable Use Policy
  - Data Privacy Policy
  - Data Management Policy
  - Information Security Management Policy

## 3. AI Intake process & Risk Assessment

- Deploy a **self-serve risk triage questionnaire** that consistently evaluates new AI use cases. This intake process should capture **key details** from the outset - model dependencies, data quality, ethical considerations, and intended functionality - to drive a **tailored risk governance pathway** for each AI solution
- The **risk assessment process** should align with **established AI principles, policies, and standards.** Key components include comprehensive documentation, continuous monitoring, and periodic reassessments aimed at identifying and mitigating potential operational, ethical, and regulatory risks. Addressing risks early ensured they are managed in accordance with the organization's **risk appetite** and **compliance requirements**
- The process should be supported by a scalable **tech platform** (e.g., PowerApps), which facilitates tracking, reporting, and periodic review of AI initiatives

## 4. Training and awareness

- Complete **learning needs assessment** to roll out an entity-wide training program that establishes a **baseline understanding of AI fundamentals,** including its risks, ethical considerations, and responsible usage, while also providing **role-specific training** for different lines of defense and leadership. The training should equip **all employees**—not only in technical roles but also those in risk, compliance, and operational areas—with the knowledge necessary to **manage and mitigate AI-related risks,** ensuring that each professional understands their responsibilities in upholding **ethical standards** and **maintaining regulatory compliance**



## Considerations for the Other AI Governance layers – Part 2

### 5. Design, Implementation and Control

- The design, implementation, and control processes fosters an environment of ethical AI use and transparency and ensure that AI initiatives remain resilient and aligned with both operational and regulatory demands
- **Design:** Organizations should establish controls around key risk areas, ensuring that the lifecycle of each AI system is mapped out. These measures should address data quality, security, ethical usage, and regulatory compliance
- **Implementation:** Design controls should be embedded into operational workflows through clearly documented policies, robust training programs, and proactive stakeholder engagement. This approach ensures that every AI use case aligns with core business objectives and remains adaptable to emerging risks and changes
- **Control:** Organizations should track and evaluate how effectively the established controls are managing AI-related risks and maintaining compliance throughout the AI system's lifecycle

### 6. Metrics, Monitoring and Reporting

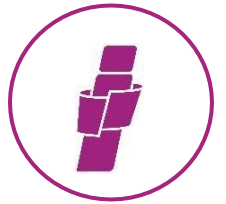
- Ensures that AI systems remain **compliant** with **ethical and regulatory standards** and that any deviations are quickly addressed through well-informed remediation strategies
- Framework for Metrics, Monitoring, and Reporting defines **clear, measurable parameters** to evaluate AI-related risks and performance at both an organizational and deployment level. This framework requires the establishment of **standardized key risk indicators (KRIs)** and **key performance indicators (KPIs)** that align with strategic goals and provide a **consistent method for comparing, tracking, and adjusting risk** management practices, ensuring continuous improvement and effective decision-making.
- Deploy **real-time monitoring tools**—such as dashboarding systems and live alerts—to promptly **identify anomalies and change in risk profiles**, and to implement robust reporting mechanisms that communicate these metrics internally to leadership as well as externally to regulatory bodies

### 7. Maintenance and Evolution

- Adopt a dynamic and iterative approach that **continuously reviews, updates, and refines its policies and controls** to stay aligned with emerging regulations, industry leading practices, and organizational growth
- **Technology-driven workflows**, such as model inventory management, model certification processes, automated risk tiering and issue tracking, and regular dashboard monitoring to **capture and address AI system performance and compliance issues** in real time
- Establish **clear feedback loops** and **periodic audits** to ensure that any changes in regulatory or technological landscapes are rapidly incorporated, while continuous training programs update employee skills and foster a **proactive risk management culture** to maintain and evolve **AI governance**, ensuring that the approach remains agile and responsive to the evolving risk environment

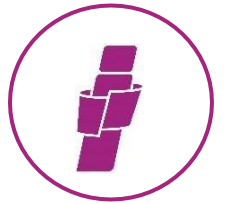
# Appendix





# RIBO - Initial Exploration of Artificial Intelligence (“AI”) Innovation in Ontario’s Property and Casualty Insurance Broker Sector

Key Themes	
<p><b>Collaboration</b></p> <ul style="list-style-type: none"> <li>• Fostering partnerships with regulators and other organizations to explore technological opportunities.</li> <li>• Conducting joint and shared research efforts to advance AI applications.</li> </ul> <p><b>Fair Treatment of Insurance Customers</b></p> <ul style="list-style-type: none"> <li>• Establishing strong guardrails to ensure technological evolution aligns with fair consumer treatment.</li> <li>• Promoting ethical practices and ensuring AI supports consumers' best interests.</li> </ul> <p><b>AI-Driven Efficiency and Service Enhancement</b></p> <ul style="list-style-type: none"> <li>• Leveraging AI to improve operational efficiency and deliver high-quality services to clients.</li> <li>• Incorporating AI tools for both back office processes (e.g., data management, chatbots) and consumer-facing roles (e.g., marketing, underwriting, risk modeling).</li> </ul> <p><b>Consumer Protection</b></p> <ul style="list-style-type: none"> <li>• Mitigating risks of bias, discrimination, and privacy violations.</li> <li>• Ensuring transparency, accountability, and consumer trust in AI systems.</li> </ul> <p><b>Maintaining Personal Connection</b></p> <ul style="list-style-type: none"> <li>• Preserving meaningful broker-consumer relationships even as AI adoption grows.</li> </ul> <p><b>Third-Party Risk Management</b></p> <p>Implementing robust controls to manage risks associated with third-party AI providers, including:</p> <ul style="list-style-type: none"> <li>• Ensuring vendors adhere to industry regulations and codes of conduct.</li> <li>• Evaluating how third-party solutions handle privacy, confidentiality, and data security.</li> <li>• Conducting due diligence on vendors and understanding liability for incorrect AI outputs.</li> </ul>	<p><b>Risk Management</b></p> <ul style="list-style-type: none"> <li>• Addressing key challenges, such as bias in data, reduced transparency, the potential misuse of consumer data, and explainability of AI outcomes to consumers.</li> <li>• Prioritizing informed consent and ensuring brokers can explain AI-driven recommendations to clients.</li> </ul> <p><b>Data Accuracy and Governance</b></p> <ul style="list-style-type: none"> <li>• Regular audits of AI models to align recommendations with evolving customer needs.</li> <li>• Ensuring data used in AI systems is accurate, unbiased, and compliant with legal requirements.</li> </ul> <p><b>Ethics and Responsible AI Usage</b></p> <ul style="list-style-type: none"> <li>• Establishing ethical guidelines for AI-enabled marketing to prioritize consumer benefits over profits.</li> <li>• Applying governance policies to ensure responsible development and deployment of AI tools.</li> </ul> <p><b>Regulatory Compliance and Codes of Conduct</b></p> <ul style="list-style-type: none"> <li>• Adhering to industry regulations and the brokers’ code of conduct, which emphasizes honesty, competence, client interest, privacy protection, and accountability.</li> <li>• Aligning AI solutions with legal and ethical norms.</li> </ul> <p><b>Training and Human Oversight</b></p> <ul style="list-style-type: none"> <li>• Providing brokers with the necessary training to understand and utilize AI systems effectively.</li> <li>• Maintaining human intervention to oversee high-stakes advice and ensure recommendations are sound and transparent.</li> </ul> <p><b>AI Model Transparency and Liability</b></p> <ul style="list-style-type: none"> <li>• Addressing the challenge of brokers not being able to explain AI-generated decisions.</li> <li>• Ensuring liability structures are in place for errors stemming from AI models.</li> </ul>



# AMF - Best Practices for the Responsible Use of AI in the Financial Sector

Key Themes	
<p><b>Digital Transformation and Industry Evolution</b></p> <ul style="list-style-type: none"> <li>Leverage AI technologies to enable the broader digital transformation and enhance efficiency, innovation, and customer experience across the insurance brokerage sector.</li> </ul> <p><b>Regulatory Compliance and Consumer Protection</b></p> <ul style="list-style-type: none"> <li>Ensure adherence to relevant laws, regulations, and guidelines to safeguard consumer rights and meet industry compliance requirements when adopting AI.</li> </ul> <p><b>Responsible AI Use</b></p> <ul style="list-style-type: none"> <li>Promote ethical AI practices, minimizing harm, ensuring fairness, and prioritizing purposeful and appropriate AI implementation.</li> </ul> <p><b>Transparency and Accountability</b></p> <ul style="list-style-type: none"> <li>Address challenges of AI "black box" systems by implementing clear, explainable models and justifying AI usage in products and services.</li> <li>Develop transparent communication with consumers, including disclosing AI design frameworks, explaining outcomes, and offering assistance for consumer queries.</li> </ul> <p><b>Model Drift Management</b></p> <ul style="list-style-type: none"> <li>Monitor and adapt to model drift—changes in AI performance due to new data—ensuring continued reliability and alignment with business or consumer needs.</li> </ul> <p><b>Cybersecurity and Data Privacy</b></p> <ul style="list-style-type: none"> <li>Mitigate risks to personal data and ensure robust cybersecurity measures to protect sensitive consumer information from cyberattacks.</li> </ul> <p><b>Consumer Protection and Trust</b></p> <ul style="list-style-type: none"> <li>Develop AI solutions that act in the consumer's best interest, respect privacy, preserve freedom of choice, and treat consumers fairly.</li> <li>Manage conflicts of interest and consult consumers regarding AI adoption, fostering autonomy and confidence in AI-driven services.</li> </ul>	<p><b>AI Usage Transparency with Consumers</b></p> <ul style="list-style-type: none"> <li>Share details about AI system design and utilization, while guiding consumers through AI-generated outcomes and providing avenues for assistance.</li> <li>Aim for clear and easily explainable decisions, ensuring benefits outweigh potential risks.</li> </ul> <p><b>Ethics and Accountability in AI Design and Operations</b></p> <ul style="list-style-type: none"> <li>Adopt a code of ethics to guide AI development and implementation, emphasizing transparency and ethical integrity.</li> <li>Make leadership, employees, and officers accountable for AI-related decisions, ensuring human oversight for important consumer impacts.</li> </ul> <p><b>Leading Practices in AI Design, Deployment, and Oversight</b></p> <ul style="list-style-type: none"> <li>Foster an inclusive and ethical culture that enables error reporting and whistleblowing without retaliation.</li> <li>Develop diverse, well-trained teams working on AI projects.</li> <li>Ensure a consistent process for designing, implementing, and monitoring AI systems, including due diligence on third-party AI solutions.</li> <li>Link AI initiatives to sustainable objectives for environmentally and socially responsible business practices.</li> </ul> <p><b>Risk Management and Governance for AI Solutions</b></p> <ul style="list-style-type: none"> <li>Assess risks of AI solutions in terms of complexity, impact, and security, addressing vulnerabilities and ensuring robust protection against cybersecurity threats.</li> <li>Govern data usage with care, ensuring reliability, ethical handling of third-party and synthetic data, and proper anonymization where needed.</li> <li>Conduct rigorous risk assessments at every stage of the AI lifecycle, perform algorithmic impact analyses, and test AI in controlled environments before deployment.</li> <li>Maintain continuous monitoring, auditing, and employee training to mitigate risks, evaluate AI performance, and maintain reliability over time.</li> </ul>



# OSFI & FCAC - AI Uses and Risks at Federally Regulated Financial Institutions

## Key Themes

### AI Risk Management:

- Address internal risks related to the use of AI solutions and external risks from third-party actors, including hackers exploiting generative AI for malicious purposes.
- Regular periodic assessments to identify and mitigate risks associated with AI deployment.

### Applications of AI:

- Operational efficiency enhancement.
- Risk identification and mitigation.
- Fraud detection and cybersecurity (e.g., detecting network anomalies, phishing).
- Data privacy and security improvement measures.
- Customer engagement (e.g., chatbots, personalized financial advice, customer verification).
- Model risk management (e.g., autonomous data learning, input-output alignment).

### Data Governance and Regulatory Compliance:

Combat challenges related to:

- Data privacy and fragmented data ownership.
- Jurisdictional regulatory requirements and compliance.
- Ensuring data quality and overseeing third-party data arrangements.

### AI Model Considerations:

- Develop explainable, transparent, and unbiased models.
- Forge collaboration between users, developers, and control functions during design and implementation.
- Manage model risks, including autonomous learning, parameter challenges, and relationships between input and output data.

### Third-Party Vendor Risks:

- Assess and mitigate dependency-related risks, such as concentration risks with large tech vendors.
- Ensure compliance with regulations and maintain robust data security measures for cloud usage.

### Operational, Legal, and Cybersecurity Risks:

- Address interconnected systems and data complexities that may threaten operational resilience.
- Anticipate AI malfunctions with potential financial or reputational impacts.
- Monitor legal, ethical, and reputational risks linked to consumer privacy and consent breaches.

### Collaborations:

- Partner with regulators, government agencies, and relevant departments to better manage AI-specific risks.

### Responsible and Trustworthy AI:

- Advocate for generative AI technologies that prioritize privacy, responsibility, and ethical use.

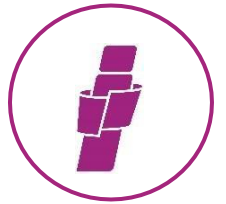
### Education and Strategy Development:

- Provide training to employees on AI solutions and associated risks.
- Establish a comprehensive AI strategy considering interconnectedness with systems, data, and business risks.



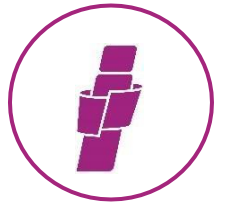
# British Insurance Broker's Association (BIBA) - Guide to AI

Key Themes	
<p><b>AI-Driven Efficiency and Service Enhancement</b></p> <ul style="list-style-type: none"> <li>Leverage AI-driven solutions to streamline both back office operations (such as data management and automated document handling) and consumer-facing functions like underwriting and claims processing, thereby enhancing overall operational efficiency and customer experience.</li> </ul> <p><b>Regulatory Compliance and Codes of Conduct</b></p> <ul style="list-style-type: none"> <li>Ensure strict adherence to regulatory frameworks and internal codes by aligning AI implementation with legal requirements and industry standards.</li> </ul> <p><b>Risk Management, Liability and Consumer Protection</b></p> <ul style="list-style-type: none"> <li>Adopt rigorous AI risk management practices that account for potential biases and liabilities, thereby protecting consumer interests and ensuring accountability at every stage.</li> </ul> <p><b>Data Accuracy, Governance and Cybersecurity</b></p> <ul style="list-style-type: none"> <li>Prioritize access to centralized, high-quality data while instituting robust governance and cybersecurity measures to safeguard sensitive information.</li> </ul>	<p><b>Collaboration and Industry Partnerships</b></p> <ul style="list-style-type: none"> <li>Foster proactive collaboration among regulators, technology providers, and insurers to share best practices and support the safe adoption of AI initiatives.</li> </ul> <p><b>Training and Human Oversight</b></p> <ul style="list-style-type: none"> <li>Empower brokers with continuous training while maintaining active human oversight to ensure that AI-generated outcomes are transparently understood and effectively validated.</li> </ul> <p><b>Environmental Impact and Sustainability Considerations</b></p> <ul style="list-style-type: none"> <li>Integrate sustainability into AI strategies by addressing the environmental impact and energy consumption of AI tools, ensuring that deployments align with broader ESG objectives.</li> </ul> <p><b>Ethical and Responsible AI Usage</b></p> <ul style="list-style-type: none"> <li>Cultivate a strong culture of AI literacy rooted in ethical principles by developing clear guidelines that prevent bias, uphold fairness, and build consumer trust throughout the AI lifecycle.</li> </ul>



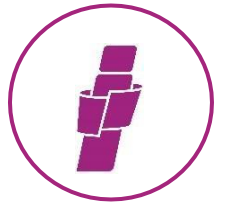
# Organization for Economic Co-operation and Development (OECD) - Recommendation of the Council on AI

Key Themes	
<p><b>Inclusive Growth and Sustainable Development</b></p> <ul style="list-style-type: none"> <li>Promote an AI ecosystem that drives human creativity while reducing inequalities and safeguarding the planet’s future.</li> <li>Leverage responsible AI practices to achieve sustainable development and environmental sustainability by engaging all stakeholders early on.</li> </ul> <p><b>Respect for the Rule of Law and Human Rights</b></p> <ul style="list-style-type: none"> <li>Develop AI solutions that rigorously honor democratic principles by ensuring non-discrimination, robust data protection, and the protection of freedom of expression. This approach addresses not only regulatory requirements but also counters misinformation and disinformation.</li> </ul> <p><b>Transparency and Explainability</b></p> <ul style="list-style-type: none"> <li>Ensure that AI systems are designed to provide clear, context-appropriate information about their underlying data sources, logic, and decision-making processes. This opens the “black box” of AI, enabling consumers and stakeholders to understand system capabilities and limitations.</li> </ul> <p><b>Robustness, Security, and Safety</b></p> <ul style="list-style-type: none"> <li>Implement strong technical protocols and safeguard mechanisms that maintain AI system integrity throughout its lifecycle. This includes designing systems that can be overridden, quickly repaired, or safely decommissioned to mitigate potential harms or unintended behaviors.</li> </ul>	<p><b>Accountability</b></p> <ul style="list-style-type: none"> <li>Embed traceability and systematic review processes across the entire AI lifecycle to ensure that any bias, privacy issue, or other risks are promptly identified and managed.</li> <li>Accountability should be core to the AI framework so that all actors are answerable for the system’s functioning.</li> </ul> <p><b>National Policies and International Co-operation for Trustworthy AI</b></p> <ul style="list-style-type: none"> <li>Encourage governments to invest in AI research and to facilitate the development of an inclusive, interoperable ecosystem that supports innovation while upholding ethical standards. This involves shaping policies that not only foster domestic AI advancements but also promote international dialogue and collaboration, as well as building human capacity for future challenges.</li> </ul>



# International Association of Insurance Supervisors (IAIS) - Draft Application Paper on the Supervision of AI

Key Themes	
<p><b>Governance and Accountability</b></p> <ul style="list-style-type: none"><li>• Leverage a robust governance framework that clearly defines responsibilities and maintains oversight throughout the AI system’s life cycle. For example, “insurers must ensure a robust governance framework that defines responsibilities and maintains clear oversight of AI systems throughout their life cycle” and “the Board should have sufficient expertise to effectively challenge decision-making linked to AI implementations.” These measures safeguard fair consumer outcomes and support financial stability.</li></ul>	<p><b>Transparency and Explainability</b></p> <ul style="list-style-type: none"><li>• Develop AI systems that are both transparent and fully explainable by employing tools like SHAP or LIME – ensuring decisions are “explainable and understandable to both consumers and supervisors.” Simultaneously, embed fairness-by-design while instituting clear redress mechanisms so that affected parties can easily challenge decisions influenced by AI, thereby upholding fundamental rights and ethical standards.</li></ul>
<p><b>Risk Management and Proportionality</b></p> <ul style="list-style-type: none"><li>• Adopt a proportional, risk-based approach to evaluate AI systems by aligning risk management measures with their potential impact on policyholders and overall financial soundness.</li></ul>	<p><b>Fairness, Ethics, and Redress</b></p> <ul style="list-style-type: none"><li>• Establish rigorous oversight for third-party AI implementations by ensuring “contracts and due diligence measures capture the operational risks and limitations” inherent in outsourced systems. Maintain comprehensive, traceable records to continually monitor and audit AI deployments, guaranteeing robust governance across the entire AI lifecycle.</li></ul>
<p><b>Robustness, Safety, and Security</b></p> <ul style="list-style-type: none"><li>• Strengthen reliability by implementing continuous performance testing such as “stress testing, sensitivity analysis, and adversarial testing” to ensure that AI systems operate with integrity under all conditions. In tandem, enforce advanced security measures that “protect data and prevent cyber-attacks,” especially for systems supporting critical functions.</li></ul>	



# Association of British Insurers (ABI) - AI Guide: Practical ideas for getting started with responsible AI

Key Themes	
<p><b>Responsible AI Principles</b></p> <ul style="list-style-type: none"> <li>Leverage a practical approach that “provides a practical approach to applying the five guiding principles set out in the UK AI Policy Paper”—including safety, security &amp; robustness; appropriate transparency &amp; explainability; fairness; accountability &amp; governance; and contestability &amp; redress—to ensure all AI development is rooted in ethical, consumer-focused principles.</li> </ul> <p><b>AI Use Cases in Insurance and Long-Term Savings</b></p> <ul style="list-style-type: none"> <li>Systematically categorize and deploy AI use cases spanning product design (such as portfolio optimization and elderly care planning), pricing and underwriting (including predictive underwriting and personalized pricing), claims processing (like fraud detection and claims automation), and customer care or asset management to drive innovation and operational efficiency.</li> </ul> <p><b>AI Risk Management</b></p> <ul style="list-style-type: none"> <li>Monitor and address both internal system vulnerabilities and external threats—including cybersecurity risks and model drift—by asking critical questions like “What is the process for addressing identified problems with your AI systems?” to ensure continuous protection and system resilience”</li> </ul> <p><b>Data Governance and Regulatory Compliance</b></p> <ul style="list-style-type: none"> <li>Ensure that data quality is robust and that data usage remains transparent, adhering to established regulatory frameworks such as the UK GDPR and Data Protection Act.</li> </ul> <p><b>AI Model Considerations</b></p> <ul style="list-style-type: none"> <li>Develop AI models that emphasize explainability and transparency, incorporating techniques like LIME and SHAP to “visualize Blackbox machine learning” while mandating human review to challenge automated decisions, thereby minimizing bias and ensuring fair outcomes.</li> </ul>	<p><b>Third-Party Vendor Risks</b></p> <ul style="list-style-type: none"> <li>Evaluate and manage risks associated with third-party AI providers by implementing rigorous contractual oversight and accountability frameworks that address data security, compliance, and the associated operational impacts when engaging external vendors.</li> </ul> <p><b>Operational, Legal, and Cybersecurity Risks</b></p> <ul style="list-style-type: none"> <li>Integrate robust monitoring systems, disaster recovery plans, and cybersecurity measures to manage interconnected operational and legal risks—ensuring that questions such as “What are our disaster recovery and business continuity plans?” are addressed to safeguard the entire AI ecosystem.</li> </ul> <p><b>Collaborations and Governance</b></p> <ul style="list-style-type: none"> <li>Establish clear lines of accountability with a strong governance structure that defines roles (using RACI models) and fosters transparent communication between technical teams, regulators, and internal oversight functions to ensure comprehensive human oversight throughout the AI lifecycle.</li> </ul> <p><b>Responsible and Trustworthy AI</b></p> <ul style="list-style-type: none"> <li>Promote responsible AI by deploying systems with robust contestability and redress mechanisms that empower end users to challenge AI-generated outcomes—thus embedding ethical integrity and accountable oversight into every stage of AI design and implementation.</li> </ul>

**THANK YOU!**