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Ethics of AI in Insurance – Article 3

How can companies use Ai and still remain on the right side of the regulator?

In the third and final instalment of our coverage of a recent panel discussion on the ethics of Ai hosted by the Forum of Insurance Lawyers in London, we look at how the insurance industry can keep on the right side of the regulator when using this powerful and rapidly developing technology.

Joining panel chair **Mark Huxley** of Huxley Advisory, were **Adi Hazan**, Founder of Ai developer Analycat, **Aura Radu**, Technology Practice Leader at CFC Underwriting and Ludwig Bull, CEO and Founder of case management firm, CourtCorrect.

Mark opened this part of the discussion with a direct question: “With Ai, you are not necessarily seeing the inputs, only the outputs. How do you deal with the associated regulatory issues on a day to day basis when you have no idea what the knowledge source was?”

Picking up Mark’s challenge, Ludwig suggested that the search engine Bing had already tried to address this problem.

“You can design systems in a way that they point to the source. But what kind of system do you want? If you are doing legal analysis, you want the sources so you can go back to them and make your own call,” he said.

“But having access to publicly available information is kind of unreliable because its public,” countered Aura.

At this point, Adi stepped in to say: “A lot of alarm bells are ringing in my head. How will have you verified the public information? There is so much rubbish floating about there that I think most Ai is in violation of GDPR already.”

Adi compared the regulation of Ai to that of taxes.

“If you look at tax law, you’ll find that a country’s tax earnings go up and down as it introduces new tax regulation. The upswing in tax income is due to people responding to the immediate change to the rules and the drop is when people have figured out how to get around the rules. It will be the same with data regulation,” he said.

Mark interjected at this point to ask: “Is the regulator up for growing into what we are doing with Ai?”

“It’s easy to criticise regulation, but it is a very thin line between propelling the economy forward and allowing the tech to advance but also making sure it is still to the benefit of the world and not working against it. We’re talking about ethics in Ai, but I think we need to talk about ethics in humans first,” said Aura.

“As soon as we humans are aligned on ethics principles, we can start talking about the ethics of Ai. Everything is subjective from an ethical and professional point of view, so it is difficult to criticise technology that is reliant upon our ethics,” she added.

Adi was on board with this point but had a stark warning for delegates: “As a species, we have a history of developing weaponizable technology and releasing it before we legislate it. We send it out into the world and then play catch up, but the ramifications of Ai might not be reversible because we don’t know right from wrong as a species.”

As the discussion drew to a close, Mark asked the panel if they had any final points they wanted to make, and Ludwig was first up.

“Maybe the recent developments around generative Ai could be a good point to review to what extent existing technology, before ChatGPT, can be useful to businesses. We need to try to understand if this new technology really unlocks real value and, if so, where that value comes from,” he said.

For Aura, there is a need to destigmatise Ai and challenge a lot of the negative connotations it has in the insurance industry: “It is a tool that can improve our ability to do our jobs. It’s not to replace humans but support them and we can use it at many, many levels in insurance – from underwriting to claims.”

Finally, Adi implored the audience to take care in their use of Ai.

“Be careful what you are buying, understand the supervision and monitoring responsibilities and your legal liabilities,” he said.

“Someone somewhere will be on the hook as soon as something goes wrong so you need to help your clients supervise it now and understand how vulnerable Ai can be. It has come from somewhere and it’s not the regulator,” he warned.

But who better to sum up the conversation than Ai itself, in the form of ChatGPT? Before the event, Mark had asked it a series of questions and here is what our future overlord (as some will have us believe) had to say about ethics and Ai.

Q. What are the ethics of using ChatGPT in insurance?

A. The use of ChatGPT in insurance should be guided by ethical considerations such as fairness, transparency, privacy and accountability. It is important to ensure that the use of Ai models in insurance is beneficial to both the industry and the customers it serves.

Q. How can humans and Ai best work together in insurance?

A. Humans and Ai should work together to complement each other’s strengths and weaknesses in the insurance industry. By doing so, insurance companies can improve efficiency, accuracy and customer service while also maintaining ethical and moral standards.

Q. How can insurance lawyers and Ai work together?

A. Ai should not replace the role of human lawyers in the insurance industry. Rather, Ai should be seen as a tool that can assist lawyers in performing their duties more effectively and efficiently. By working together, lawyers and Ai can provide better legal services to clients in the insurance industry.

This is the final instalment of our coverage of the Ethics in Ai event. To access the full discussion, you can read previous articles here <https://www.foil.org.uk/update/ethics-of-ai-in-insurance-article-2/>

The Forum of Insurance Lawyers runs regular panel events just like this on a range of topics, so to register your interest to attend please click here <https://www.foil.org.uk/join/register/>