

June 14, 2020

APCIA Response to European Commission White Paper on AI Consultation

The American Property Casualty Insurance Association (APCIA) appreciates the opportunity to provide comments on the European Commission's "White Paper on Artificial Intelligence: A European Approach to Excellence & Trust" (White Paper).

APCIA is a United States trade association representing property and casualty insurers doing business locally, nationally, and globally. Representing nearly 60 percent of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers.

In Chapter 5, the White Paper sets out options for an AI regulatory framework. Importantly, before instituting any new regulatory regime a gap analysis must be performed to determine where, if at all, the current structure is deficient. To suggest a new regulatory regime is necessary presupposes holding AI to a higher standard than exists for any other decision-making model, system or application that does not deploy AI. We recognize there is some sensitivity to the reduced human involvement inherent in AI, but there are reasonable solutions to address this issue. AI is a tool or model with many of the same challenges and issues that existing risk-based regulatory frameworks are designed to address.

AI has great potential to augment human judgment, improve decision making, and enhance the customer experience. These consumer benefits combined with the evolving nature of AI emphasize why it is so important that the European Commission not establish requirements and obligations which will stifle rather than foster innovation. Additionally, promoting an innovative private market is also recognizing that owners of AI tools have the right to protect the intellectual property they have expended. Further, promoting an ecosystem of excellence depends on public private collaboration and global consistency in workable regulatory approaches.

If, after a thorough and collaborative gap analysis, it is determined that new compulsory rules are necessary, APCIA would agree that they should be limited to high-risk applications. Such an approach would be consistent with a risk-based AI framework. It is critical that there is a very clear and limited definition of what a high-risk application is though, and any voluntary labeling of high-risk applications should not become binding for enforcement purposes.

APCIA appreciates the opportunity to provide comment and looks forward to future engagements on this important topic.