



The State of New Hampshire Insurance Department

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FOR IMMEDIATE RELEASE

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New Hampshire Insurance Department Issues Bulletin on Use of Artificial Intelligence Systems by Insurers

CONCORD, NH (February 20, 2024) – Today, the New Hampshire Insurance Department (NHID) has released a comprehensive bulletin addressing the use of Artificial Intelligence (AI) systems by insurers licensed to do business in the state. The bulletin, Docket #INS 24-011-AB, sets guidelines and expectations for insurers licensed to conduct business in New Hampshire regarding the development and implementation of AI technologies. The bulletin is similar to a model bulletin adopted by the National Association of Insurance Commissioners in December of 2023.

In an effort to promote innovation while ensuring consumer protection and regulatory compliance, the Department has outlined expectations for insurers regarding the development and use of AI technologies. The bulletin emphasizes the importance of fairness, accountability, transparency, and compliance with state laws in the deployment of AI systems within the insurance industry.

“As technology continues to evolve, it is imperative that insurers maintain the highest standards of ethical conduct and regulatory compliance,” said Insurance Commissioner DJ Bettencourt. “The use of AI systems holds great promise for enhancing efficiency and improving outcomes in the insurance market, but it also presents new challenges and risks. Our bulletin provides insurers with guidance and expectations to navigate these complexities responsibly.”

The bulletin outlines the NHID's stance on various aspects related to AI integration in the insurance industry, including corporate governance, risk management, and oversight considerations. It emphasizes the need for insurers to develop and maintain written programs tailored to the responsible use of AI systems, incorporating robust governance frameworks, risk management controls, and

internal audit functions. These measures are essential to mitigate the potential risks associated with AI-driven decision-making and to safeguard consumer interests.

Insurers must ensure that decisions made using AI systems comply with all applicable insurance laws and regulations, including the prohibition of unfair or discriminatory practices. This regulatory expectation underscores the Department's commitment to upholding consumer rights and market integrity.

The bulletin also addresses the acquisition and reliance on AI systems or data from third parties. Insurers must exercise due diligence when engaging with third-party vendors, implementing contractual protections, and conducting audits to ensure compliance with regulatory requirements.

Insurers licensed to operate in New Hampshire are encouraged to review the bulletin in its entirety to ensure compliance with the Department's expectations. The Department remains committed to working collaboratively with insurers to promote innovation, protect consumers, and maintain the integrity of the insurance market.

"The New Hampshire Insurance Department is committed to fostering innovation while ensuring consumer protection and regulatory compliance in the rapidly evolving landscape of AI technologies," said Commissioner Bettencourt. "We recognize that both insurers and regulators are still learning and adjusting to these advancements, and we will work collaboratively with industry stakeholders to implement this bulletin in a practical and understanding manner."

For further information or inquiries regarding the bulletin, please contact Christian Citarella, Chief Property & Casualty Actuary, at christian.g.citarella@ins.nh.gov. The complete bulletin, Docket #INS 24-011-AB, can be located at <https://www.nh.gov/insurance/media/bulletins/2024/documents/bulletin-ins-24-011-ab.pdf>.

The New Hampshire Insurance Department Can Help

The New Hampshire Insurance Department's mission is to promote and protect the public good by ensuring the existence of a safe and competitive insurance marketplace through the development and enforcement of the insurance laws of the State of New Hampshire. Contact us with any questions or concerns you may have regarding your insurance coverage at 1-800- 852-3416 or (603) 271-2261, or by email at consumerservices@ins.nh.gov. For more information, visit <https://www.nh.gov/insurance>.

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