



TO: Members of the House Innovation, Internet & Technology Committee
FROM: Rory Whelan, Regional Vice President, NAMIC
DATE: Hearing --- February 15, 2024
RE: Opposition to H 7521 --- Artificial Intelligence

The National Association of Mutual Insurance Companies (NAMIC)¹ and its members, thank you for the opportunity to express strong opposition to legislation referenced above and urge the committee to consider certain modifications.

NAMIC and our members firmly believe in the fair treatment of all policyholders. Mutual insurance companies are built on the notions of community and inclusivity, and the mutual model has a long and proud history of service to our communities.

NAMIC, our members, and the collective insurance industry are adamantly opposed to discrimination based on race and unfair discrimination in general. We are committed to ensuring that algorithms are free from unfair discrimination as we support legislative policies to prevent these practices, many of which are already established in the Rules & Regulations² of the Insurance Division of the Rhode Island Department of Business Regulation (“Division”). While we appreciate the intent of the legislation, we are opposed and respectfully request that the insurance industry be exempted from the scope of the bill.

As currently drafted, it is unclear whether the intent is to include insurance in scope of “Financial Services” that are subject to the bill. If insurance is included, this proposal would create a parallel and inconsistent set of standards in conflict with insurance regulations. The inclusion of insurance in the bill would undermine the authority of the Division and the purpose of the state’s insurance regulatory requirements which are ultimately for the benefit of consumers.

The Division already examines insurers’ use of algorithms and predictive models and the inclusion of insurance within the scope of this legislation could seriously impair or impede those activities.

To protect policyholders and the general public, the Division applies the requirements and regulations to all participants in the insurance market.

¹ The National Association of Mutual Insurance Companies is the largest property/casualty insurance trade group with a diverse membership of nearly 1,400 local, regional, and national member companies, including seven of the top 10 property/casualty insurers in the United States. NAMIC members lead the personal lines sector representing 66 percent of the homeowner’s insurance market and 53 percent of the auto market.

² [Rules & Regulations: Insurance Division | Dept. of Business Regulation \(ri.gov\)](#)

Ensuring a robust and competitive insurance market is a significant component in protecting consumers. The Division of Insurance staff are uniquely qualified to maintain the appropriate balance between the imposition of regulatory burdens and consumer protection to create the conditions for a healthy insurance market within the state of Rhode Island.

For these reasons, NAMIC is opposed to this legislation and respectfully requests insurance be removed from the provisions of the bill.

Thank you for your consideration.