

**Comments of the Center for Economic Justice
To the NAIC Accelerated Underwriting Working Group
Regarding Proposed Work Product of the Working Group
March 18, 2021**

The Center for Economic Justice (CEJ) offers the following comments to the Accelerated Underwriting (AUW) working group on the

With this background, we suggest the following outline

- I. Executive Summary and Key Regulatory Guidance
- II. Introduction
- III. History of Working Group and Charge
- IV. Overview of AUW
 - a. AUW vs. traditional underwriting (a key point – traditional UW predicts mortality, AUW predicts what traditional UW would have done)
 - b. Specific applications of AUW
 - c. Data and algorithms used for AUW
 - d. Historical Use and Use Trends for AUW
- V. Fair and Ethical Considerations and Recommendation
- VI. Accountability Considerations and Recommendations
- VII. Compliance Considerations and Recommendations
- VIII. Transparency Considerations and Recommendations
- IX. Financial Regulation Considerations and Recommendations

Taking the last item first, we suggest that the AUW WG reach out to the Life Actuarial Task Force (LATF) for any contribution regarding considerations and recommendations related to financial regulatory oversight, including reserves, unique to AUW. If there are no such considerations, that is useful and relevant information and guidance for state regulators. One of LATF's charges is "provide recommendations for guidance and requirements for accelerated underwriting, as needed."

The remaining issues parts of the November 16, 2020 draft outline fit gracefully into one or more of the four AI principle categories. To be clear, the issues listed in section IV of that draft outline are necessary, but not sufficient.

~~A. Input data~~

- Traditional data – to CEJ IV c
- FCRA data – to CEJ VI and VII
- Nontraditional data – to CEJ IV c
- Discussion of bias in input data – to CEJ V

~~B. Algorithms/ machine learning~~

- ~~1.5.~~ What are they designed to do – CEJ IV a, b and c
- ~~2.6.~~ Evolving / machine learning – pros and cons – delete
- ~~3.7.~~ ~~Testing conclusions/ Back testing/ random holdouts/ algorithm assurance~~
- ~~8.~~ Testing ~~outcomes~~ conclusions for unfair bias & mitigation – to CEJ V
- ~~4.9.~~ Tracking source of unfair or illegal outcomes – to CEJ VI

