



Society of Actuaries in Ireland

---

**CRO Circle**  
**SAI ERM Committee**

---

6<sup>th</sup> March 2024

---



## Disclaimer

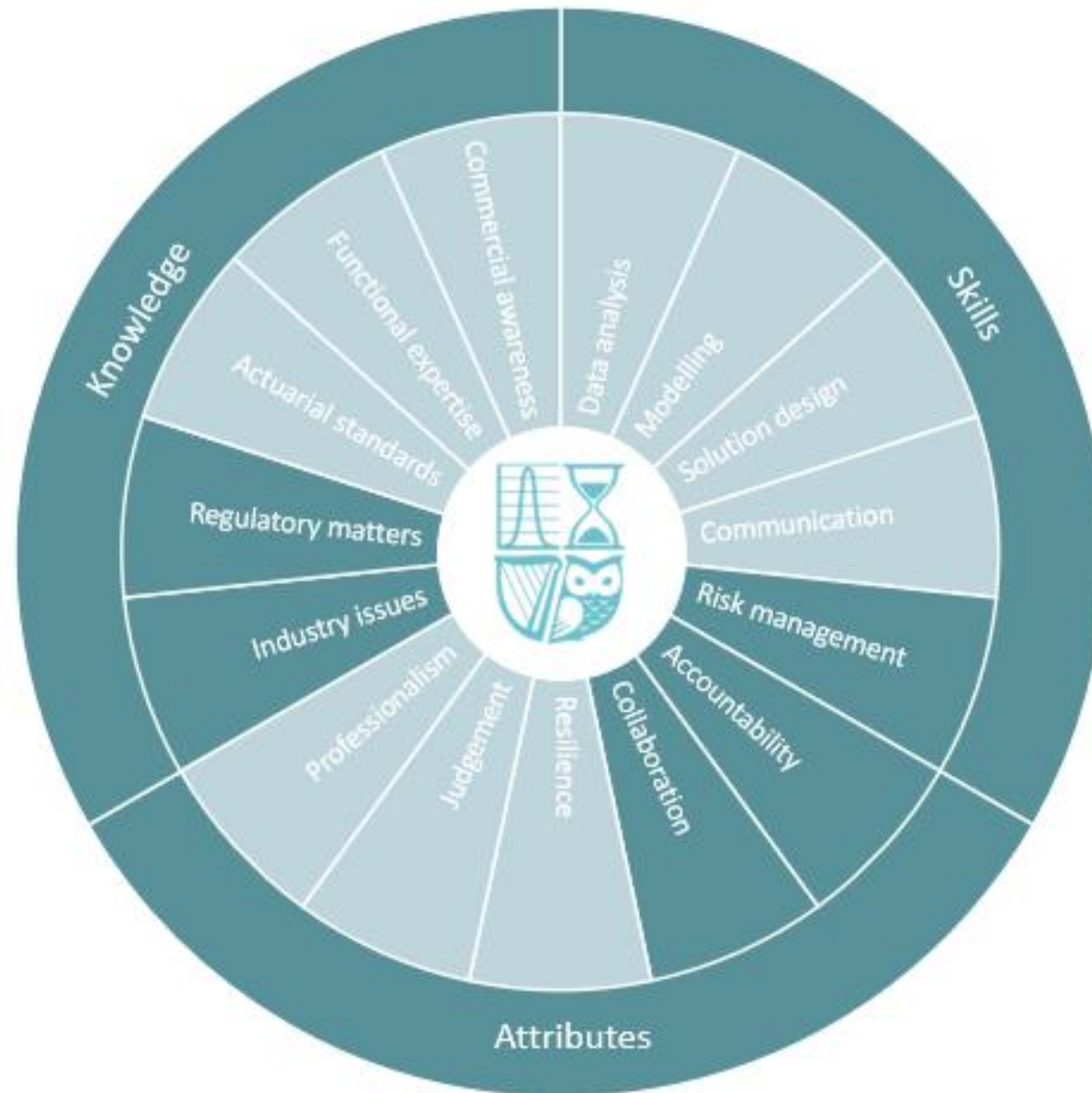
---

**The views expressed in this presentation are those of the presenter(s) and not necessarily those of their employer(s) (if any) or the Society of Actuaries in Ireland.**

50  
Years

# Competency Framework Wheel

Chart Area



# Agenda

---

**4pm**      Opening/Introductions

- Topic 1: INED perspectives – Sean Casey
- Topic 2: Artificial Intelligence and Impact on Risk Functions
- Topics for future sessions

**5.30pm**      Close. All invited for a post-event drink.

# Topic 1

---

INED perspectives

Sean Casey

# Topic 2

---

Artificial Intelligence and Impact on Risk Functions

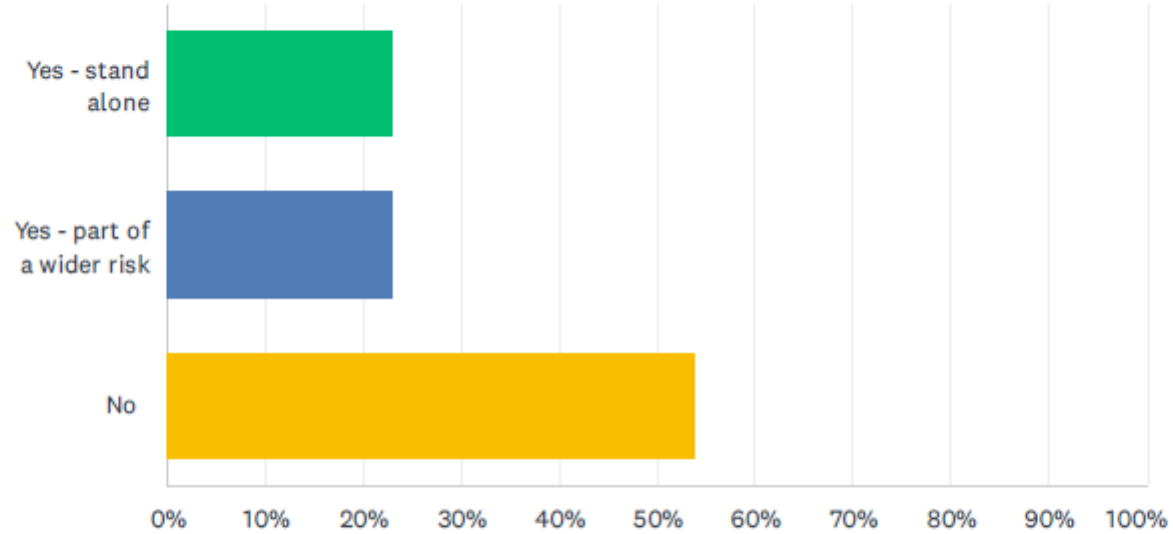
Pre-event survey results

&

Discussion (3 breakout groups)

# Q1 Does AI feature on your risk register?

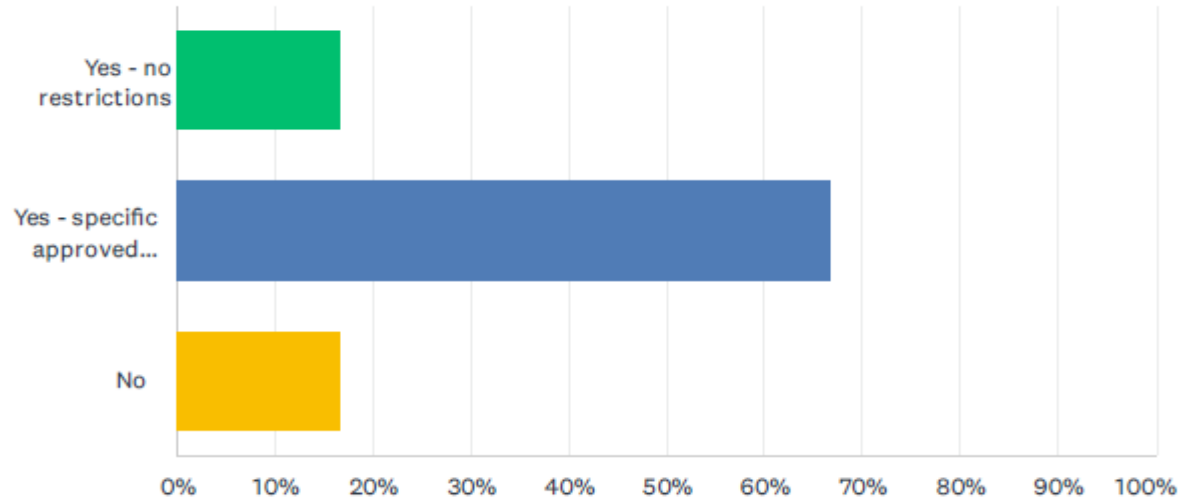
Answered: 13 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes - stand alone	23.08%	3
Yes - part of a wider risk	23.08%	3
No	53.85%	7
TOTAL		13

## Q2 Does your company IT allow access to AI services e.g. ChatGPT?

Answered: 12 Skipped: 1



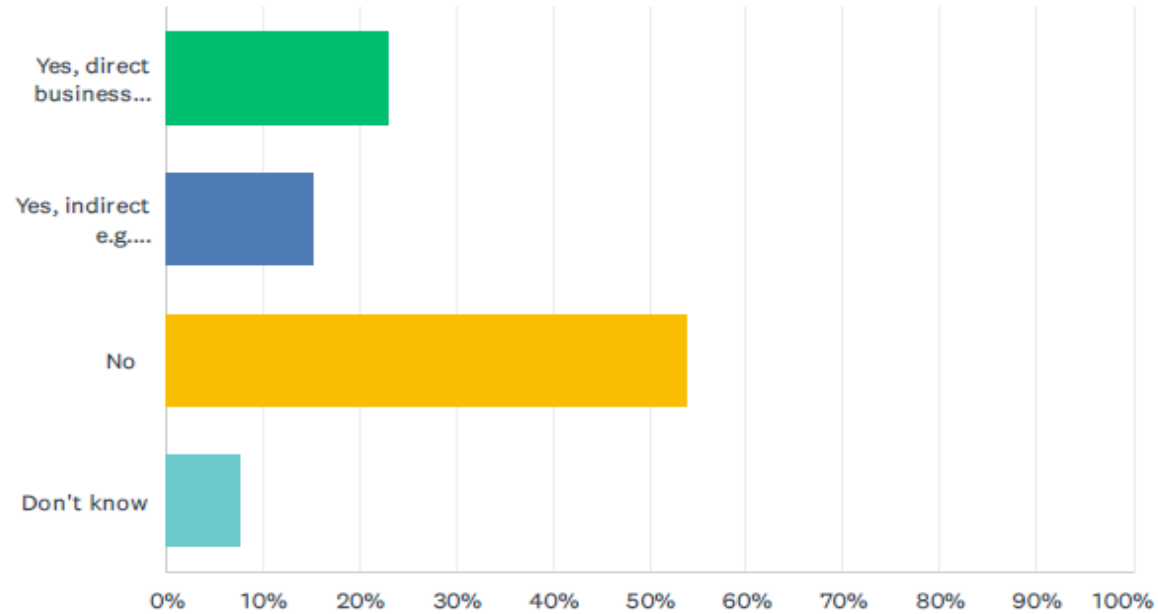
ANSWER CHOICES	RESPONSES
Yes - no restrictions	16.67% 2
Yes - specific approved services	66.67% 8
No	16.67% 2
<b>TOTAL</b>	<b>12</b>

#	ANY COMMENTS?
1	Most services allowed with restrictions on type of data to be input
2	Controlled ring-fenced version of ChatGPT & test version of Copilot available to a small test sample of staff.



### Q3 Does your company currently use AI technology/techniques within its business?

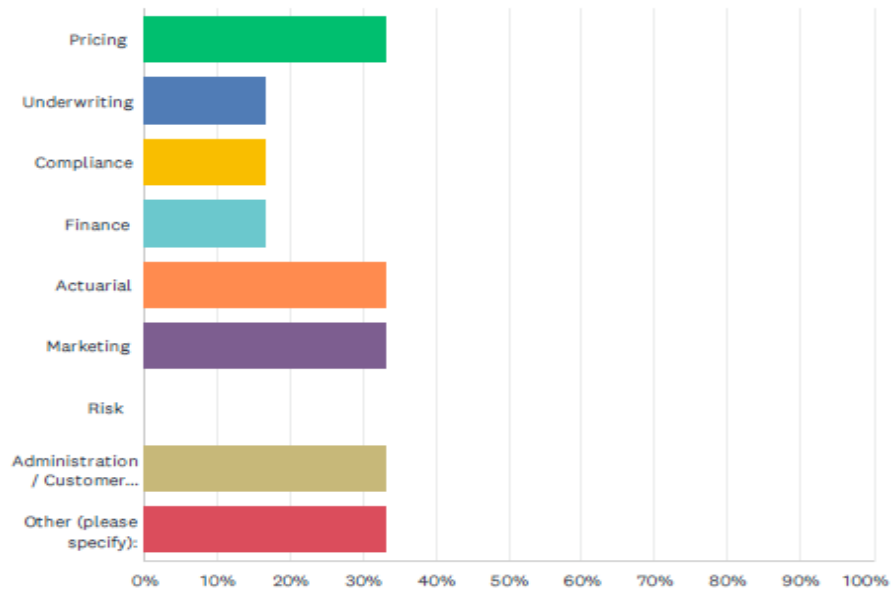
Answered: 13 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes, direct business application	23.08% 3
Yes, indirect e.g. supplier(s) using AI	15.38% 2
No	53.85% 7
Don't know	7.69% 1
<b>TOTAL</b>	<b>13</b>

## Q4 If you answered yes in the last questions, in what areas does your company use AI technology?

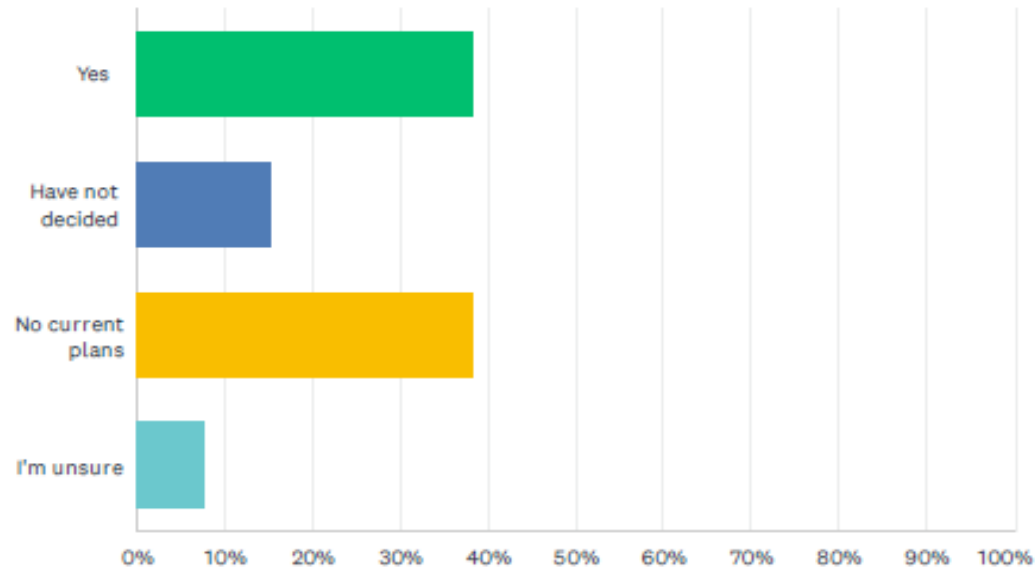
Answered: 6 Skipped: 7



ANSWER CHOICES	RESPONSES
Pricing	33.33% 2
Underwriting	16.67% 1
Compliance	16.67% 1
Finance	16.67% 1
Actuarial	33.33% 2
Marketing	33.33% 2
Risk	0.00% 0
Administration / Customer service	33.33% 2
Other (please specify):	33.33% 2
Total Respondents: 6	

## Q5 Is your company considering implementing AI technology/techniques within its business?

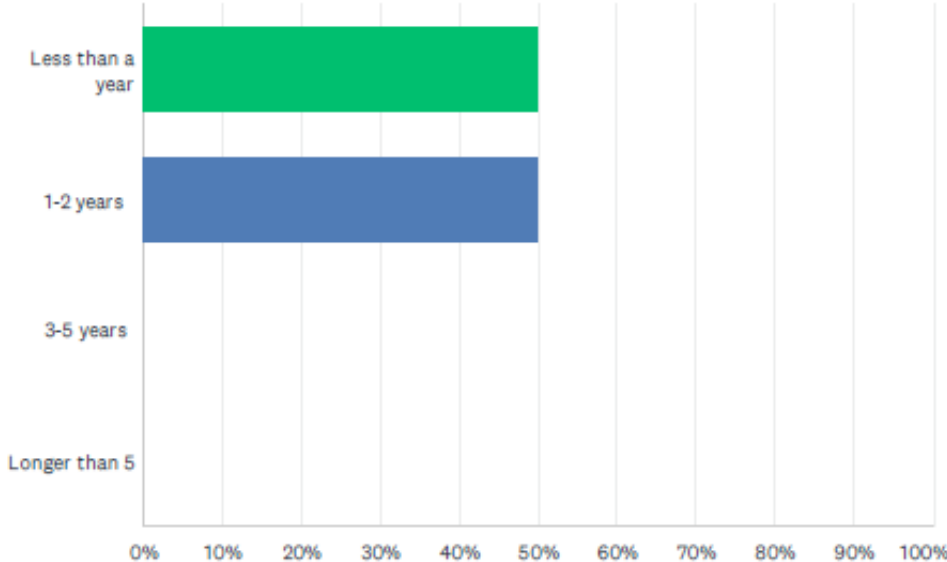
Answered: 13 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	38.46% 5
Have not decided	15.38% 2
No current plans	38.46% 5
I'm unsure	7.69% 1
TOTAL	13

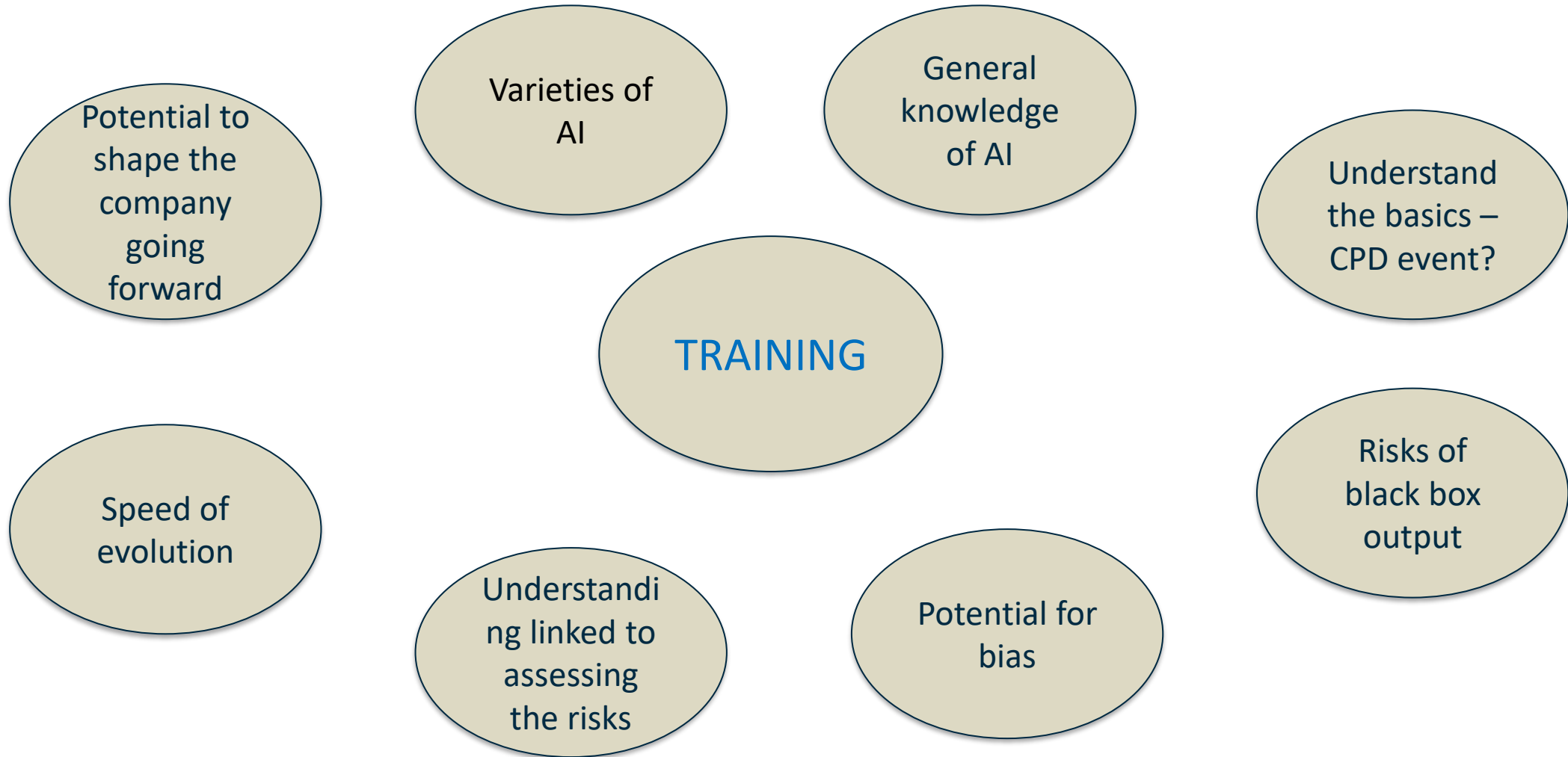
### Q6 If you answer yes in previous question, what is the timeline for implementation?

Answered: 6 Skipped: 7



ANSWER CHOICES	RESPONSES
Less than a year	50.00% 3
1-2 years	50.00% 3
3-5 years	0.00% 0
Longer than 5	0.00% 0
TOTAL	6

Q7 What additional skills or tools, if any, do you feel Risk functions might need in order to understand/leverage AI?



## Q8 What are your biggest concerns in relation to AI?

Governance  
over AI

Fraud Risk

Fact v Hype

Disinformation

Speed of  
evolution

Data  
Management

Job security

Black box  
decisions

Q9 What tasks or areas within the Risk function do you feel AI is most likely to assist with in the near term?

Minute taking

Trend analysis

Report drafting

Initial research

Quicker output

Automation of KRI's

Summarising documents

Control mapping

Q10 What opportunities do you see for the insurance industry in relation to AI?

Reduced  
manual  
processing

Underwriting  
efficiency

Policy  
servicing

Process  
efficiency

Enhance  
customer  
interactions

Better data  
analysis

Compliance

New  
products



# Breakout Groups

---

## **Question 1** (10 minutes):

What tasks or areas within the Risk function do you feel AI is more likely to assist with in the near term?

## **Question 2** (10 minutes):

What are your biggest concerns in relation to AI?

# ChatGPT responses

---

## Question 1:

What tasks or areas within Risk Management functions in insurance companies do you think AI is more likely to assist with in the near term?

Response:

In the near term, AI is likely to assist with tasks such as claims processing, underwriting, fraud detection, and risk assessment in insurance companies. These areas can benefit from AI's ability to analyze large amounts of data quickly and accurately, identify patterns, and make predictions.

(Add in 'Irish-based' insurance companies)

Additionally, AI could help with compliance monitoring, customer service automation, and personalised policy recommendations tailored to the Irish market's specific regulatory and cultural nuances.

# ChatGPT responses

---

## Question 2:

What are likely to be the biggest concerns for Chief Risk Officers of insurance companies in relation to the use of AI?

Response:

CROs of insurance companies are likely to have several concerns regarding the use of AI including:

1. **Data privacy and security:** Ensuring that sensitive customer data used by AI algorithms is adequately protected from breaches and misuse.
2. **Model accuracy and reliability:** Verifying that AI models provide accurate predictions and assessment, as errors could lead to financial losses or regulatory penalties
3. **Regulatory compliance:** Ensuring that AI applications comply with relevant laws and regulations, such as GDPR in Europe.
4. **Ethical considerations:** Addressing concerns about fairness, bias and transparency in AI decision-making processes, especially in areas like underwriting and claims processing.
5. **Operational Risk:** Managing the risks associated with integrating AI into existing processes, including potential disruptions, systems failures, or dependencies on third-party vendors.
6. **Reputation risk:** Safeguarding the company's reputation by addressing public perceptions and concerns about AI's impact on job displacement , customer trust and societal implications.

Overall, CROs must carefully assess and mitigate these risks to leverage AI effectively while maintaining trust and compliance within the insurance industry.

# Topics for future sessions

---

Ideas for future CRO Circle sessions

# SAI CRO CIRCLE – PAST TOPICS

- 2023:
  - Operational Resilience guidance
  - Climate Change Risk guidance
  - CBI Update on Recovery Planning
  - Emerging Risks
- 2022:
  - Intra-Group Transactions
  - Inflation
  - COVID-19, What does the future bring?
  - The Hybrid Workplace
- 2021
  - Pre-emptive Recovery Planning
  - Climate Change and ESG
  - Impact of COVID on Risk Management Frameworks
  - Operational Resilience
  - ORSA Scenario Selection
  - Emerging Risk Identification
  - IT/Cyber Security
  - Outsourcing Risk

# Thank You

- PLEASE SEND IDEAS FOR FUTURE CRO CIRCLE SESSIONS TO:

[events@actuaries.ie](mailto:events@actuaries.ie)