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March 4, 2025

The Honorable CT Wilson
Chair, Economic Matters Committee
Lowe House Office Building
Annapolis, MD 21401

House Bill 1331 – Consumer Protection - Artificial Intelligence

Dear Chair Wilson,

The League of Life and Health Insurers of Maryland, Inc. respectfully requests a favorable with amendments report on *House Bill 1331 – Consumer Protection - Artificial Intelligence*

Artificial intelligence (AI) is a transformational tool that is reshaping industries across the country and the world. In insurance, AI is a tool that can be deployed to improve the customer experience by simplifying processes in an efficient and accurate manner.

League members are committed to harnessing the potential of AI, while also minimizing risks and protecting consumers. This includes complying with all federal and state laws and regulations governing the use of AI, including Maryland Insurance Administration Bulletin No. 24-11 - The Use of Artificial Intelligence Systems in Insurance. This bulletin already requires carriers to develop, implement, and maintain a written program for the responsible use of AI systems. Additionally, it is important to note that no carrier uses artificial intelligence to administer adverse decisions for utilization review.

For the above reasons, we respectfully request that House Bill 1331 be amended to include safe harbor language from Virginia, tailored for Maryland law. The Virginia language can be found below:

For purposes of this subsection, "insurer" means the same as that term is defined in § 38.2-100. The provisions of this chapter shall not apply to any insurer, or any high-risk artificial intelligence system developed by or for or deployed by an insurer for use in the business of insurance, if such insurer is regulated and supervised by the State Corporation Commission or a comparable federal regulating body and subject to examination by such entity under any existing statutes, rules, or regulations pertaining to unfair trade practices and unfair discrimination prohibited under Chapter 5 (§ 38.2-500 et seq.) of Title 38.2, or published guidance or regulations that apply to the use of high-risk artificial intelligence systems and such guidance or regulations aid in the prevention and mitigation of algorithmic discrimination caused by the use of a high-risk artificial intelligence system or any risk of algorithmic discrimination that is reasonably foreseeable as a result of the use of a high-risk artificial intelligence system. Nothing in this chapter shall be construed to

delegate existing regulatory oversight of the business of insurance to any department or agency other than the Bureau of Insurance of the Virginia State Corporation Commission.

For these reasons, the League urges the committee to give House Bill 1331 a favorable with amendments report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew Celentano", with a long horizontal flourish extending to the right.

Matthew Celentano
Executive Director

cc: Members, Economic Matters Committee