

Written evidence submitted by Zurich UK (GAI0127)

Zurich UK's briefing to the Science and Tech committee: The role of regulators in regulating AI. As a leading global insurer, Zurich is already using AI technology to speed up claims handling, combat fraud and even to help reskill our staff whose roles otherwise may have been at risk from technological developments. Underpinning our use of AI is our AI Assurance Framework, which was launched in 2022 and is designed to ensure AI is fair, transparent, and trustworthy. Zurich agrees with Government's proposed approach that existing regulators are best placed to rule on individual sectors - albeit within a clear framework- as opposed to creating a new AI regulator. However, delays to the publication of Government's response to the AI White Paper means that significant questions remain as to how this regime will work in practice. Below are some suggested areas the committee could consider in their upcoming evidence session with the regulators:

- Non-statutory footing: While we recognise the need for AI regulation to remain agile, are regulators confident that they will have the powers to implement the new AI framework? It is a concern that without proper guardrails in place, responsible organisations could be placed at a competitive disadvantage to less ethical players.
- Lack of transparency for the central function – Government have announced a new central function to support regulators, with a focus on horizon scanning. However, there has been no transparency as to who sits within their central function, how it works or how business can input and benefit from the process. While Government has promised further information by the end of the year, for businesses to trust the new regulatory approach there should be complete transparency as to how the core systems work. With the concerns around trust relating to AI, why are Government not prioritising transparency in their own regulatory framework?
- Regulatory Gaps – Government have announced that the central body will monitor for gaps between the regulatory oversight of existing regulators. Yet there has been no indication of how these gaps will be identified or how they will be addressed. For example, will gaps always be tackled through existing regulators or will there be an agile legislative mechanism for Government to use as appropriate?
- Resource – There is a concern as to whether regulators will have the resources, expertise and skills to implement the new AI framework? Is there a risk of certain regulations, such as those in the Digital Regulation Cooperation Forum (DRCF), will approach regulation in a different way to other regulators? And if so, how can Government ensure this does not distort competition?

Who we are: Zurich UK has a unique mix of both general insurance (including motor, property and travel insurance) and life insurance products, which we provide to both individual and corporate customers. In the UK, we employ over 5,000 people at 16 locations, with 90% of our staff are based outside London. Written evidence submitted by Zurich UK (GAI0127)

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