

WELCOME!

AI

Governance

Protecting Your Agency & Your Clients



JASON GOBBEL

Chief Solutions Officer
Kite Technology Group



Session 3 of Agency AI Labs – Phase 1 (Foundations)



Agency **AI** Labs

BROUGHT TO YOU BY



AGENTS COUNCIL
FOR TECHNOLOGY.



Jason Gobbel


**Chief Solutions Officer
Kite Technology Group**

- Partner at Kite Technology Group
- Arizona P&C License
- 20 Years in Insurance
- Cybersecurity Nerd
- AI Enthusiast
- Presenter / Educator

Today's Agenda

- Why Now?
- Where Are We Today?
- What Risks Does That Introduce?
- What's Expected of Us? (Compliance and Regulation)
- What Does “Governance” Mean?
- How Do We Approach AI Governance? (A Framework to Get You Started)
- An Action Plan for Accountability
- Q & A

Before We Begin – Free Stuff!



Sample: Artificial Intelligence (AI) Acceptable Use Policy

1. Purpose and Scope

The Artificial Intelligence (AI) Acceptable Use Policy establishes expectations and requirements for the responsible, ethical, and secure use of AI technologies by employees and contractors. The goal of this policy is to enable productivity and innovation while protecting the organization, its members, partners, and staff from legal, ethical, operational, and reputational risk.

This policy applies to all AI-enabled tools, whether standalone (e.g., generative AI systems) or embedded within business software (e.g., productivity platforms, conferencing tools, marketing platforms).

2. Guiding Principles

AI may be used to support human work, not replace human judgment. All AI-assisted work remains the responsibility of the individual using the tool.

Use of AI must:

- Comply with applicable laws, regulations, and professional standards
- Protect confidential, proprietary, and regulated information
- Avoid misleading, discriminatory, or biased outcomes
- Include appropriate human review and accountability

3. Risk-Tiered AI Use Framework


AI use cases are categorized into four risk tiers. Approval and oversight requirements depend on the tier.

Tier 1 – Low Risk (Permitted Without Prior Approval)
These uses support productivity and do not involve sensitive data or external reliance.

Examples:

- Grammar, spelling, and tone improvement
- Summarizing non-confidential documents or meetings

www.kitetechnology.com | 410-356-3113 | eng@ae@kitetechnology.com



The AGENCY Framework for AI Governance

Think of AI as the most intelligent yet undisciplined employee you've ever hired. That's why onboarding new AI tools and capabilities needs to be approached with same level of intention used for integrating new employees. The following AGENCY framework is your week-by-week guide to approaching the proper governance of your new AI.

Week 1: Assess AI Use

Create an Inventory:

- What tools are being used?
- Who is using them?
- What data goes into the tools?
- What outputs come out?
- Is the use internal or client-facing?
- Is it approved, experimental, or prohibited?

Week 2: Group Use Cases by Risk

Classify AI Use As:

- Low risk
- Medium risk
- High risk
- Prohibited

Examples:

- Low risk: Drafting an internal training outline
- Medium risk: Drafting a client-facing renewal email
- High risk: Summarizing coverage forms
- Prohibited: Entering client PII into public AI

Week 3: Establish Roles & Responsibilities

Define:

- Who owns AI governance?
- Who approves tools?
- Who reviews vendors?
- Who trains staff?
- Who handles incidents?
- Who signs off on high-risk use cases?

Recommended Ownership:

- Executive sponsor
- Operations leader
- IT/cybersecurity
- Compliance or risk lead
- Department managers
- Power users / AI champions

www.kitetechnology.com | 410-356-3113 | eng@ae@kitetechnology.com

Why Now?

Poll Question

What AI Tools Are You Using Today?

ChatGPT

Claude

Copilot

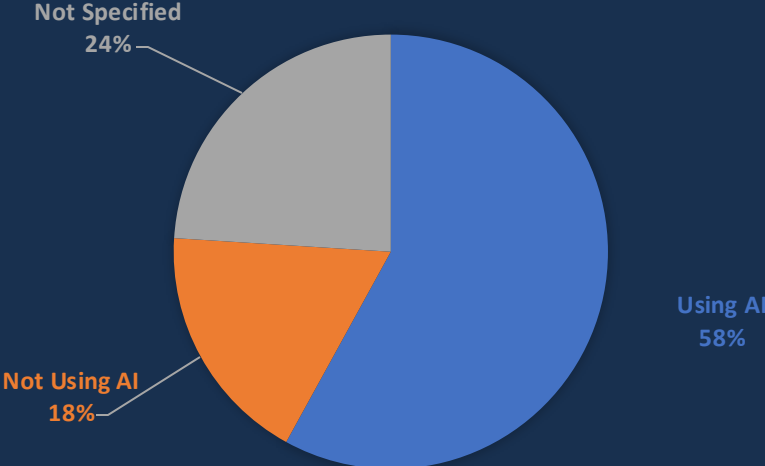
Gemini

Insurance Specific AI Tool

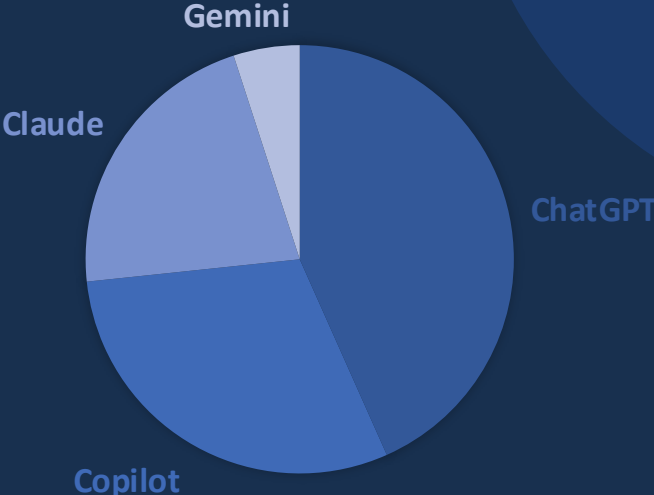
None

Agency AI Labs Demographics

AI ADOPTION



TOOLS IN USE



Poll Question

Do You Have An Acceptable Use Policy?

- Yes – I've Read It
- I Think So
- No
- I Don't Know

“AI adoption is growing faster than governance.”

48%

Emails

35%

Data
Analysis

34%

Policy
Extraction

19%

Formal AI
Policy

— Catalyit's [The State of Tech in Independent Insurance Agencies](#)

Where Are We Today?

Poll Question

What Are You Using AI For In Your Agency?

- Crafting Better Emails
- Policy Comparison and Summaries
- Analyzing Claims Data
- Analyzing Agency Financials
- Policy Check In
- Summarizing Meetings and Taking Notes

The Current State of AI

Half of Your Staff Just Got Personal Assistants

- You didn't interview them
- You don't know who hired them
- You don't know their skill level
- You don't know who manages them
- You don't know who trains them
- You don't know what happens to their work

But you're responsible for what they do.

The Current State of AI

- Employees are using personal AI tools without approval/awareness
 - “Pro” licenses are opted into training models
 - AI-generated content is being copied/pasted without review
 - Producers are using AI for prospecting
 - Executives are using AI to analyze Books of Business
 - Service teams are using AI to compare and summarize policies
 - Service teams are using AI to analyze claims data
 - Vendors are adding AI functions to your applications
-
- Only **19%** of agencies have a formal AI usage policy
 - How many can demonstrate adherence to that policy?

What Risks Does That Introduce?

What Risks Does That Introduce?

- **Data Leakage.** There are already laws around protecting the data.
- **E&O.** Inaccurate Outputs and Coverage Misrepresentation
- **Bias and Unfair Treatment.**
- **Vendor Risks.** Do you know how they are using the data?
- **Lack of Human Oversight.**
- **Regulatory Uncertainty.** The laws are slower than the innovation.
- **Insurance Gaps.** Carriers are excluding Generative AI.

Use Cases By Risk

Low Risk (But Not No Risk)

- Internal Meeting Summaries, Notetakers, Brainstorming
- General Guideline: Using Non-Sensitive Information, Productivity Boost

Moderate/Medium Risk

- Client-Facing Communication
- Agency Performance Analysis
- General Guideline: Using sensitive information to inform or make decisions

High Risk

- Policy and Coverage Summaries
- Comparisons and Recommendations
- Underwriting
- General Guideline: Insurance-specific information, Activities requiring a license

What's Expected of Us?

What's Expected of Us?

Regulations and laws are still developing
(but we've been here before)

- Consumer Privacy
 - New guidance on existing laws
- Errors and Omissions
 - Human in the loop
 - Policy exclusions for Generative AI
- Cybersecurity
 - New guidance on existing requirements
- Employment and HR
 - Human in the loop
 - Protections from bias

Reference Links:

- [NAIC Model Bulletin](#)
- [NIST AI Risk Management Framework](#)
- [NY DFS Circular Letter No 7](#)
- [Colorado SB24-205](#)

What Does “Governance” Mean?

Governance In A Nutshell

Governance = Rules + Oversight + Accountability

- Who is allowed to make decisions?
- What rules guide those decisions?
- How do we know the rules are being followed?
- Who is accountable when something goes wrong?

Governance In A Nutshell

Governance = Rules + Oversight + Accountability

We Already Have Some Practice Doing This:

- Carrier Website Access
- Binding Authority
- Certificates of Insurance
- Employee Conduct / Onboarding / Offboarding

How Do We Approach AI Governance?



The _____
AGENCY
Framework

The AGENCY Framework



Create An Inventory

- Tools in Use
- People using them (or wanting to use them)
- The Inputs/Prompts (what they're asking, and how they're asking)
- Internal vs External Outputs
- What is (or should be) allowed vs forbidden

The AGENCY Framework



Group Use By Risk

- Low Risk
- Moderate/Medium Risk
- High Risk
- Prohibited

The AGENCY Framework



Roles and Responsibilities

- Who owns AI Governance?
- Who Approves Tools?
- Who Reviews Vendors?
- Who Trains Staff?
- Who Handles Incidents?
- Who Approves High Risk Use Cases?

The AGENCY Framework



Approved Tools and Data Rules

- Create an Approved AI Tool List
- Establish an AI Acceptable Use Policy
- Establish Data Classification Rules
- Establish Human Review Requirements
- Create a Vendor Review Checklist

The AGENCY Framework



Require Extra Oversight for:

- Client Facing Outputs
- Coverage Related Activities
- Claims Related Work
- Sensitive Data
- Vendor Tools
- Automated Workflows

The AGENCY Framework



Review At Least Yearly (Quarterly At First):

- New Tools and Capabilities
- New Laws and Regulations
- Incidents and Accidents
- Employee Feedback
- Approved and Denied Use Cases
- Training Needs

Thank You!

Questions? Reach out anytime.

