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AGENT & BROKER ALERT

California Insurance Commissioner Ricardo Lara

Commissioner Lara launches statewide effort to establish consumer safeguards for AI in insurance

Public workshop and industry survey will help shape California's approach to transparency, accountability, privacy, and fairness as insurers increasingly deploy artificial intelligence.

November 13, 2026 - Insurance Commissioner Ricardo Lara today launched a statewide effort to help establish consumer safeguards for the use of artificial intelligence (AI) in insurance, announcing a public workshop and industry survey that will help inform California's approach to transparency, accountability, privacy, and fairness as insurers increasingly deploy AI-driven technologies.

The California Department of Insurance is inviting consumers, insurance companies, researchers, technology developers, advocates, and members of the public to help shape how emerging technologies are used within the nation's largest insurance market. Input gathered through the Department's Responsible Use of Artificial Intelligence (RUAI) Survey and upcoming public workshop will help inform future regulatory and policy considerations aimed at protecting consumers while supporting responsible innovation.

"Artificial intelligence is already changing how insurers make decisions that affect millions of Californians," said **Commissioner Lara**. "Consumers should never be left wondering whether an algorithm, rather than a fair and accountable process, determined their outcome. As innovation accelerates, California has a responsibility to ensure transparency, prevent discrimination, protect privacy, and keep insurers accountable for the decisions they make."

California has long been a national leader in consumer protection and privacy rights. As artificial intelligence becomes more deeply embedded in insurance, financial services, and health care, the Department is taking proactive steps to ensure technological innovation serves insurance consumers while maintaining public trust and accountability.

AI and other advanced analytical technologies are increasingly being used across the insurance industry to support claims processing, fraud detection, customer service, underwriting support, and operational decision-making. While these tools can improve efficiency and enhance customer experiences, they also present risks when not properly designed, tested, monitored, governed, and overseen.

Without appropriate safeguards, AI systems may produce inaccurate outcomes, compromise sensitive personal information, reduce transparency, or amplify unfair bias and discrimination. The Department is seeking public input now because decisions about AI governance made today will influence how insurance consumers experience and access coverage for years to come.

Giving the Public a Voice in AI Safeguards

The Department will hold a virtual public discussion workshop on December 15, 2026, beginning at 10 a.m. PST. Consumers, advocates, insurance companies, researchers, academics, technology developers, and other interested participants are invited to attend and provide comments.

Participants are encouraged to share their experiences, concerns, and recommendations regarding transparency, fairness, privacy, human oversight, accountability, and insurer responsibility for technologies supplied by third-party vendors. Their feedback will help inform the Department's evaluation of potential regulatory approaches that protect consumers while supporting responsible innovation.

The workshop is intended to gather information and perspectives and will not focus on specific regulatory text.

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Understanding How Insurers Use AI

The Department is also launching its Responsible Use of Artificial Intelligence (RUAI) Survey to better understand how insurers are deploying AI technologies, the governance structures they use to oversee those systems, the role of third-party vendors, and the operational impacts associated with AI adoption.

Survey findings will provide the Department with a clearer picture of current industry practices and help identify where additional consumer safeguards, transparency standards, or regulatory guidance may be warranted. Responses are due by December 30, 2026.

"Good regulation begins with good information," Commissioner Lara added. "We are asking companies how they use AI and asking the public what protections matter most. Insurers remain accountable for the systems they use, whether they develop those tools themselves or obtain them from a vendor. You can outsource technology, but you cannot outsource responsibility."

The initiative builds on Commissioner Lara's ongoing efforts to modernize consumer protections in an increasingly digital insurance marketplace, including the Department's 2022 Bias and Unfair Discrimination Bulletin, its 2022 public discussion on AI and insurance, its 2023 survey of automated decision-making tools, and its sponsorship of the recently chaptered Senate Bill 354, the 2026 Insurance Information and Privacy Protection Act, which strengthens privacy protections for California insurance consumers.

Together, these efforts reflect the Department's commitment to ensuring that innovation in insurance remains transparent, accountable, and grounded in consumer protection.

The Department will use information gathered through the survey and public workshop to inform its work on responsible AI use in insurance. Any future formal regulatory proposal would include a separate public process and additional opportunities for public comment. Is the Department adopting new AI regulations today?

Q&A:

Is the Department adopting new AI regulations today?
No. Today's announcement provides the Department with an opportunity to gather information and engage with members of the public. The workshop will not focus on specific regulatory text, and the invitation is not a Notice of Proposed Action. Any future formal regulatory proposal would have its own public comment process.

How can public input help shape the regulations?

The Department wants to hear what consumers have experienced, where they see potential benefits or risks, and which safeguards they believe are needed. Participants can offer recommendations on topics related to the use of AI, such as human review, fairness, privacy, transparency, and accountability, including oversight of third-party technology vendors. Those perspectives will help the Department evaluate potential regulatory approaches before proposing specific requirements.

Do participants need technical expertise in AI to provide public comment?
The invitation welcomes consumers and other interested members of the public as well as technical and industry experts. Participants can share concerns, priorities, and experiences with insurance processes, including what information and support would help them understand decisions involving AI. The discussion questions are intended to guide participation, but do not limit the issues people may raise.

How could AI affect insurance consumers?
AI-assisted technology imparts both risks and opportunities for consumers. AI can support insurance operations and decisions, including claims handling and fraud detection. Used responsibly, it may improve efficiency and service. However, inadequate testing, unreliable data, or insufficient oversight can contribute to inaccurate or unfairly discriminatory outcomes, privacy risks, or difficulty understanding and challenging decisions. The Department is seeking input on safeguards that address these risks while allowing consumers to benefit from innovation.

How can people participate in the workshop?
The virtual workshop begins December 15, 2026, at 10 a.m. PST. It ends when all attendees wishing to comment have done so or at 12:00 p.m. PST, whichever is earlier. Written comments and supporting materials may be emailed to CDIRegulations@insurance.ca.gov by December 12, 2026.

Will workshop comments be public?
Yes.

Who is being asked to complete the survey?
The Department is surveying a representative sample. California-admitted insurance companies or groups that wrote at least $250 million in annual California premiums during 2025, plus selected California-admitted InsurTech companies. Also, selected insurance companies and groups that transact insurance business through managing general agents.

What happens after the workshop and survey?
The Department will consider industry information and public input as it evaluates regulatory approaches. Any future formal proposal would provide a separate public comment opportunity.

Does this announcement change existing policies, coverage, or rates?
No. The survey launch and workshop announcement do not change existing insurance policies, coverage, or rates. Consumers are invited to provide input during the public discussion workshop; they are not required to complete the industry survey

Register Here



Led by Insurance Commissioner Ricardo Lara, the California Department of Insurance is the consumer protection agency for the nation's largest insurance marketplace and safeguards all of the state's consumers by fairly regulating the insurance industry. Under the Commissioner's direction, the Department uses its authority to protect Californians from insurance rates that are excessive, inadequate, or unfairly discriminatory, oversee insurer solvency to pay claims, set standards for agents and broker licensing, perform market conduct reviews of insurance companies, resolve consumer complaints, and investigate and prosecute insurance fraud.

Consumers are urged to call 1-800-927-4357 with any questions or contact us at www.insurance.ca.gov via webform or online chat. Non-media inquiries should be directed to the Consumer Hotline at 800-927-4357. Teletypewriter (TTY), please dial 800-482-4833.