

AI Governance Committee Charter

A print-ready operating charter for insurer AI oversight

Use this document to establish the Committee’s formal mandate, authority, scope, membership, operating rules, evidence, escalation, records, and accountability. Tailor and approve it through the insurer’s governance process.

DOCUMENT	APPROVED RECORD
Insurer / legal entity	
Committee name	
Executive sponsor	
Chair	
Board reporting body	
Effective date / version	
Charter owner / review date	

IMPORTANT

This template is not legal advice and does not create authority until formally tailored and adopted.

1. Purpose, Mandate, and Principles

The [AI Governance Committee] is established by [authority] to oversee the responsible development, acquisition, deployment, use, monitoring, material change, and retirement of artificial intelligence systems used by or on behalf of [Insurer]. The Committee connects enterprise strategy, insurance obligations, consumer protection, risk management, technology, data, and business accountability.

The Committee promotes outcomes that are accurate, fair, secure, resilient, transparent, explainable, privacy-enhanced, and accountable as appropriate to the use case. It does not replace duties assigned to the board, senior management, business owners, control functions, validators, actuaries, legal counsel, or internal audit.

Adopted principles

Principle	Committee expectation
Risk-based	Governance intensity reflects potential harm, consumer consequence, authority, scale, data, opacity, and reversibility.
Lifecycle	Oversight begins before procurement or development and continues through monitoring, change, incident response, and retirement.
Accountable	Named owners remain responsible; delegation and vendors do not transfer insurer accountability.
Evidence-led	Decisions are based on documented, reproducible, independently challenged evidence and explicit limitations.
Consumer-centered	Accuracy, fairness, transparency, recourse, accessibility, privacy, security, and adverse outcomes receive appropriate attention.

2. Authority and Reporting

- Obtain timely information, demonstrations, records, testing evidence, and specialist advice.
- Require inventory, risk tiering, impact assessment, validation, control testing, monitoring, incident review, and remediation.
- Approve, condition, restrict, pause, escalate, or recommend retirement within delegated authority.
- Escalate matters beyond authority or risk tolerance to [senior management / board committee].
- Commission independent review and require accountable responses.
- Delegate defined work without transferring Committee accountability.

Reporting line

The Committee reports to [executive committee] and provides [quarterly / semiannual] reporting to [board or board committee]. Material incidents, consumer harm, legal or regulatory concerns, risk-limit breaches, and unresolved high-severity issues are escalated without waiting for the regular reporting cycle.

Authority boundaries

Boundary	Approved rule
Use-case approval by risk tier	
Residual-risk acceptance	
Exception approval / maximum duration	
Emergency pause / stop authority	
Restart after incident	
Board or executive escalation	

3. Scope

The charter applies to AI systems developed internally, acquired, embedded in software, or operated by vendors when used for or relied upon in regulated insurance activities or material enterprise operations.

- Product, marketing, distribution, service, underwriting, rating, pricing, policy servicing, claims, payment, fraud, litigation, compliance, finance, workforce, and cybersecurity.
- Predictive models, machine learning, generative AI, retrieval, assistants, agents, automated decisions, AI-enabled communications, and AI-ranked content.
- Proposal, design, data acquisition, development, validation, implementation, use, monitoring, change, incident response, suspension, and retirement.
- Third-party data, models, foundation models, platforms, services, tools, agents, and downstream providers.

Documented exclusions

System / activity	Rationale / compensating governance	Owner / expiry

4. Committee Responsibilities

Responsibility	Committee duty
Strategy and risk appetite	Recommend AI principles, restricted uses, risk appetite, and priorities to the accountable authority.
Policy and standards	Approve or recommend lifecycle requirements for inventory, tiering, impact assessment, validation, oversight, security, privacy, monitoring, incidents, records, and retirement.
Inventory and tiering	Require complete inventory and governance proportional to potential harm, authority, scale, data, and consumer impact.
Use-case decisions	Approve, condition, restrict, pause, escalate, or retire uses within delegated authority; record rationale and dissent.
Independent challenge	Require qualified validation and control review with appropriate separation of duties.
Production oversight	Review outcomes, drift, incidents, complaints, overrides, fairness, audit issues, vendor changes, and remediation.
Third-party oversight	Apply equivalent governance to acquired models, data, platforms, agents, and services.
Reporting and assurance	Report to senior management and the board and support audit and regulatory examination.

5. Membership and Accountability

Role	Appointee	Primary accountability
Executive sponsor		Program accountability, resources, escalation, and board reporting.
Chair		Agenda, quorum, decisions, dissent, actions, reporting, and effectiveness.
Business members		Use-case purpose, outcomes, consumer impact, operations, controls, and remediation.
Control members		Independent legal, compliance, model, risk, privacy, and security challenge.
Technical / data		Design, data, validation evidence, monitoring, change, and limitations.
Secretary		Calendar, papers, minutes, decisions, actions, evidence, retention, and reporting.
Internal audit		Independent observer or assurance; no operating ownership.

Required competence and alternates

The chair maintains a skills matrix, secures training or advisors where needed, and confirms that alternates are named, qualified, and briefed. Members disclose conflicts; the chair records recusal, additional review, or escalation.

6. Meetings, Quorum, and Decisions

Rule	Approved provision
Regular cadence and annual calendar	
Special meeting authority	
Quorum and required roles	
Consensus / voting / tie rule	
Written action	
Conflicts and recusals	
Material dissent and escalation	
Guests and executive session	

Decision standard

Evaluate intended benefit, insurance obligation, affected people, potential harm, data, model and system evidence, human oversight, security, privacy, fairness, third parties, operational readiness, monitoring, reversibility, incident response, and residual risk. Approval is limited to the exact scope and conditions recorded.

No silent approval

Silence, expired review, pilot completion, budget approval, procurement approval, or lack of objection is not AI governance approval. Exceptions are explicit, time-limited, owned, monitored, and recorded.

7. Required Decision Pack

Complete	Required evidence
[]	Purpose, owner, decision, population, jurisdictions, volume, value, authority, and alternatives.
[]	Inventory record and risk tier with rationale.
[]	Data sources, lineage, rights, quality, representativeness, privacy, security, and third parties.
[]	Model and system documentation, limitations, validation, performance, subgroup results, and uncertainty.
[]	Consumer impact, legal, compliance, fairness, accessibility, transparency, and recourse analysis.
[]	Human oversight, authority, workload, training, disagreement, escalation, and fallback.
[]	Implementation readiness, monitoring KPIs, thresholds, incident response, rollback, continuity, and retirement.
[]	Open issues, residual risk, conditions, approvals, requested decision, and exact scope.

8. Monitoring, Incidents, and Exceptions

Reporting is proportional to risk and authority and covers outcomes, complaints, errors, overrides, fairness, drift, security, privacy, agent actions, incidents, near misses, vendor changes, audit findings, exceptions, and overdue remediation.

Escalation triggers

- Actual or credible potential for material consumer harm, unfair discrimination, unlawful action, privacy or security compromise, or unauthorized agent behavior.
- Performance, control, complaint, fairness, or oversight threshold breach.
- Material model, data, prompt, retrieval, tool, permission, workflow, vendor, jurisdiction, or population change.
- Repeated exceptions, missed review, evidence gaps, validation limitations, audit findings, or overdue high-severity actions.
- Regulatory inquiry, litigation trend, public concern, or inability to reproduce a consequential decision.

Exception register

Exception / system	Risk / controls	Owner / expiry	Decision / status

9. Records, Assurance, and Review

The secretary maintains agendas, attendance, conflicts, papers, minutes, decisions, votes, dissent, conditions, action owners, due dates, evidence, exceptions, escalations, reports, approvals, and closure. Records are retained and protected under applicable law, regulatory requirements, privacy, security, records policy, privilege decisions, and litigation hold.

Internal audit or another independent assurance function may assess whether the Committee is properly designed and operating effectively. The Committee tracks findings without directing the scope or conclusions of independent assurance.

Annual effectiveness review

Dimension	Assessment / action
Mandate and authority	
Membership, competence, attendance, and conflicts	
Paper quality and decision cycle time	
Challenge, dissent, conditions, and escalation	
Action closure, exceptions, and incidents	
Board reporting and stakeholder feedback	
Independent assurance and maturity roadmap	

10. Approval and Decision Record

Charter approval	Name / title	Signature	Date
Prepared by			
Committee chair			
Executive sponsor			
Legal / compliance review			
Approving authority			

Use-case decision record

Field	Decision record
Decision ID / date	
System / use case / version	
Requested decision and exact scope	
Risk tier / consumers / jurisdictions	
Evidence reviewed / missing	
Conflicts / recusals / quorum	
Decision / vote / dissent	
Conditions / monitoring / expiry	
Residual risk / escalation	
Owners / due dates / evidence location	

Standing Agenda

Item	Lead / evidence / decision
1. Call to order, quorum, conflicts, prior minutes	
2. Actions, exceptions, and overdue items	
3. Portfolio, inventory, tiers, policy, regulation, and threat change	
4. Use-case decisions and material changes	
5. Outcomes, fairness, oversight, security, incidents, complaints, and vendors	
6. Escalations, risk acceptance, assurance, and board reporting	
7. Decisions, owners, due dates, next meeting, and executive session	

Official foundations

- NAIC Model Bulletin on the Use of AI Systems by Insurers
- NAIC Artificial Intelligence topic center
- NIST AI RMF Core - Govern
- NIST AI RMF Playbook - Govern