

Compressed Course Syllabus

Risk, Insurance in the Age of AI

Fall 2023

Room: Holland Hall 345

Times: M-F 9:30-12:20

CLASS SYLLABUS

Description of the Course and Course Objective and Learning Outcomes: This course is one credit hour. Please note that ABA Standard 310 requires that students devote 120 minutes to out-of-class preparation for every “classroom hour” of in class instruction. It is expected that you will spend two hours preparing for every hour of in class instruction.

By the end of this course, students will be able to:

- Identify and describe concepts of risk.
- Identify and understand the principles of enterprise risk management (ERM).
- Discuss the interrelationship between insurance, law, finance, and the calculus of risk transfer.
- Understand the challenges and opportunities associated with the advent of artificial intelligence (AI), “Big Data,” and “insurtech.”
- Analyze the application of AI at each phase of the ERM process.

Instructor: Robert W. Lloyd, CPCU, CIC
[Biographical Data Attached]

Office Hours: Since I have no office, I will offer virtual office hours. I encourage you to call or email me if you are having difficulties with, or simply want to clarify your understanding of, any of the materials covered in the reading or in class. My office number is 386-316-0888 and my email is RWL@robertwlloyd.com.

COURSE POLICIES

Attendance: This is a compressed course. Attendance during all class hours is mandatory. Attendance will be taken at each class meeting. If there is some reason why you must miss class, please contact me in advance via telephone or email and ask for an excused absence. The law school’s policy on attendance can be found at: <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/uf-law-student-handbook-and-academic-policies>.

UNIVERSITY POLICIES

UF LEVIN COLLEGE OF LAW STANDARD SYLLABUS POLICIES:

Other information about UF Levin College of Law policies, including compliance with the UF Honor Code, Grading, Accommodations, Class Recordings, and Course Evaluations can be found at this link: <https://ufl.instructure.com/courses/427635/files/74674656?wrap=1>.

University Policy on Academic Misconduct

UF students are bound by The Honor Pledge, which states: "We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied: 'On my honor, I have neither given nor received unauthorized aid in doing this assignment.'" The Honor Code (<https://sccr.dso.ufl.edu/students/student-conduct-code/>) specifies a number of behaviors that are in violation of this code and the possible sanctions. Furthermore, you are obligated to report any condition that facilitates academic misconduct to appropriate personnel. If you have any questions or concerns, please consult with the instructor.

University Policy on Accommodating Students with Disabilities

Students requesting accommodation for disabilities should register first with the Office of the Dean of Students (<https://www.dso.ufl.edu/drc/>). The Office of the Dean of Students will provide documentation to the student who then must provide this documentation to the instructor when requesting accommodation. You must submit this documentation prior to submitting assignments or taking quizzes or exams. Because accommodations are not retroactive, students should contact the Office of the Dean of Students as soon as possible in the semester for which they are seeking accommodation.

Etiquette: Communication Courtesy: All members of the class are expected to follow rules of common courtesy in all email messages, threaded discussions, chats and in class discussions. Please do not disparage or discourage others' views and participations.

Academic honesty: Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand the UF Student Honor Code at <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/uf-law-student-handbook-and-academic-policies>

Class Schedule: This is a compressed course. We will meet Monday through Friday, August 14 – 18, 2023, each day from 9:30 a.m. to 12:20 p.m.

Online Course Evaluations: Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at <https://gatorevals.aa.ufl.edu/students/>. Students will be notified when the evaluation period opens and can complete evaluations through the email they receive from GatorEvals in their Canvas course menu under GatorEvals or via <https://ufl.bluera.com/ufl/>. Summaries of course evaluation results are available to students at <https://gatorevals.aa.ufl.edu/public-results/>.

GRADING POLICIES

Grading:

Grades will be administered and allocated on the following basis: 50% on participation/ 50% final exam with the final exam being a paper. Your participation grade will be based on class discussions, questions, and active participation in in-class exercises and case studies. Each class, I will keep track of each student's participation and engagement.

This is a compressed course and daily attendance is mandatory. Missing more than one class hour may result in a reduction of your final grade. Missing more than two class hours may result in a failing grade or no credit for the course. Excessive tardiness may also result in a grade penalty.

The Levin College of Law's mean and mandatory distributions are posted on the College's website and this class adheres to that posted grading policy. The following chart describes the specific letter grade/grade point equivalent in place:

Letter Grade	Point Equivalent
A (Excellent)	4.0
A-	3.67
B+	3.33
B	3.0
B-	2.67
C+	2.33
C (Satisfactory)	2.0
C-	1.67
D+	1.33
D (Poor)	1.0
D-	0.67
E (Failure)	0.0

The law school grading policy is available at: <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/uf-law-student-handbook-and-academic-policies>

COURSE SCHEDULE

Date	Time	Topic	Resources & Reading
Monday, August 14	9:30 a.m. – 10:20 a.m.	Course summary and objectives	Introductions and laying the groundwork for our week.
	10:30 a.m. – 11:20 a.m.	Risk concepts and insurance basics	Get the Basics to Learn How Insurance Works, Araujo, the balance, May 3, 2022, (https://www.thebalancemoney.com/basics-to-help-you-understand-how-insurance-works-4783595)
	11:30 a.m. – 12:20 p.m.	Underwriting old school from Edward Lloyd's Coffee Shop in the 1650's to the IOT	Insurance Underwriter: Definition, What Underwriters Do, Blanton, Caroline, Investopedia, (https://www.investopedia.com/terms/i/insurance-underwriter.asp)
Tuesday, August 15	9:30 a.m. – 10:20 a.m.	AI, Big Data and underwriting	Applying the COSO Framework and Principles to Help Implement and Scale Artificial Intelligence, September 2021 (https://www.coso.org/Shared%20Documents/Realize-the-Full-Potential-of-Artificial-Intelligence.pdf) Artificial Intelligence Key Legal Issues: Overview, Practical Law Intellectual Property & Technology, (https://content.next.westlaw.com/practical-law/document/lbc68c39002d611e9a5b3e3d9e23d7429/Practice-Note-Artificial-Intelligence-Key-Legal-Issues-Overview-Data-Protection-and-Privacy-Issues-When-Using-AI?viewType=FullText&originationContext=document&transitionType=DocumentItem&ppcid=cd54f5ef4d6d4206ba96d9e1ab99bbf0&contextData=(sc.DocLink)&firstPage=true) National Association of Insurance Commissioners (NAIC) Principles on Artificial Intelligence (AI) (https://content.naic.org/sites/default/files/inline-files/NAIC%20Principles%20on%20AI.pdf)

	10:30 a.m. – 11:20 a.m.	AI, Big Data in claims adjudication	<p>Insurtech in Underwriting and Claims Processing, Arguello, Damian J., ABA: <i>The Brief</i>, (https://www.americanbar.org/groups/tort_trial_insurance_practice/publications/the_brief/2020-21/winter/insurtech-underwriting-and-claims-processing/)</p>
	11:30 a.m. – 12:20 p.m.	AI, Big Data along the ERM process	<p><u>The impact of Artificial Intelligence on Enterprise Risk Management</u>, Valerie Du Preez, Actuarotech, (https://www.actuarotech.com/insights/the-impact-of-artificial-intelligence-on-enterprise-risk-management)</p> <p><u>AI for Enterprise Risk Management</u>, MindBridge On-Demand Webinar, (https://www.mindbridge.ai/webinars/ai-for-enterprise-risk-management/)</p> <p><u>Artificial Intelligence: A Grayish Area for Insurance Coverage</u>, Pillsbury – Ashley E. Cowgill, Journal of Robotics, Artificial Intelligence & Law Vol. 2, No. 1, (https://www.pillsburylaw.com/images/content/1/2/v2/120445/RAIL-Vol.-2-No.1-JanFeb2019-Cowgill.pdf)</p>
Wednesday, August 16	9:30 a.m. – 10:20 a.m.	Regulation of insurance, interstate commerce, and the jurisdiction of the Cloud	<p><u>Insurance Information Institute</u> (https://www.iii.org/publications/commercial-insurance/how-it-functions/regulation)</p> <p><u>Catholic University Law Review</u>, Vol. 43, Issue 2, Winter 1994, Article 3 (https://scholarship.law.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1664&context=lawreview)</p> <p><u>Insuring AI: The Role of Insurance in Artificial Intelligence Regulation</u>, Anat Lior, Harvard Journal of Law & Technology, Vol. 35, No. 2, Spring 2022, (https://jolt.law.harvard.edu/assets/articlePDFs/v35/2.-Lior-Insuring-AI.pdf)</p> <p><u>The Influence of Artificial Intelligence and Emerging Technologies on the Regulation of Insurance Companies in the U.S.</u>, Boffel, Lukas, <u>Berkeley Business Law Journal</u> (forthcoming), (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4115070)</p> <p><u>Big Data: Insurance Innovation and Regulation</u>, Ben V. Seessel, August 17, 2017, <u>Connecticut Law Tribune</u>, (https://www.law.com/ctlawtribune/almID/1202795766458/)</p>

	10:30 a.m. – 11:20 a.m.	Expectations and protections of privacy in the world of AI	<u>ANALYSIS: As AI Meets Privacy, States' Answers Raise Questions, Karalis, Peter; Bloomberg Law 2023, (https://news.bloomberglaw.com/bloomberg-law-analysis/analysis-as-ai-meets-privacy-states-answers-raise-questions)</u>
	11:30 a.m. – 12:20 p.m.	Legal standard of care and concepts of liability and culpability in the world of AI	<p><u>A Leap of Faith – Insurtech and the Doctrine of <i>Uberrimae Fidei</i>, Gary Meggitt, Journal of Comparative Law (2018) vol. 13.2, p. 261-282, (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3954007)</u></p> <p><u>Man vs Machine: Legal liability in Artificial Intelligence contracts and the challenges that can arise, Phillip KellyMarcus WalshSofia WyzykiewiczSimone Young-Alls, DLA Piper, (https://www.dlapiper.com/en/insights/publications/2021/10/man-vs-machine-legal-liability-artificial-intelligence-contracts)</u></p> <p><u>Legal Liability Options for Artificial Intelligence, BPE Solicitors LLP – Emily Barwell, for the ACC Newsstand, October 16, 2018, (https://www.lexology.com/library/detail.aspx?g=6c014d78-7f4c-4595-a977-ddecaa3a12e4)</u></p> <p><u>Sharing the Costs of Artificial Intelligence: Universal No-Fault Social Insurance for Personal Injuries, Jin Yoshikawa, Vanderbilt Journal of Entertainment and Technology Law, Vol. 21, Issue 4 (2020), (https://scholarship.law.vanderbilt.edu/jetlaw/vol21/iss4/8/)</u></p>
Thursday, August 17	9:30 a.m. – 10:20 a.m.	AI and the disruption of the tripartite insurance procurement relationship (disintermediation, blockchain, cryptocurrency, NFT)	Guest Zoom Lecturer: Heidi Lawson [Fenwick & West] <u>https://www.fenwick.com/people/heidi-lawson</u>
	10:30 a.m. – 11:20 a.m.	Hypothetical case study: Automobile insurance in an age of autonomous vehicles and AI	Connected Revolution: The Future of US Auto Insurance, Corey Bourbonais, Tanguy Catlin, Xueqi Chang, Russell Hensley, Philipp Kampshoff, Doug McElhaney, and Gavin McPhail, representing views from McKinsey's Insurance and Automotive & Assembly Practices, McKinsey & Company, (https://www.mckinsey.com/industries/financial-services/our-insights/connected-revolution-the-future-of-us-auto-insurance)

	11:30 a.m. – 12:20 p.m.	Hypothetical case study: Property insurance in an age of AI and climate change	Colossus and Xactimate: A Tale of Two AI Insurance Software Programs, D'Alelio, Melissa M., Schollard, Taylore Karpa, ABA: <i>The Brief</i> , (https://heinonline.org/HOL/P?h=hein.journals/tbrief49&i=90)
Friday, August 18	9:30 a.m. – 10:20 a.m.	Hypothetical case study: Healthcare insurance, life insurance, and AI	AI Regulation Faces Test on Life Insurance in Colorado, Papachristou, Lucy, Bloomberg Law News, (https://www.bloomberg.com/news/articles/2023-03-28/ai-regulation-faces-test-on-life-insurance-in-colorado#xj4y7vzkg)
	10:30 a.m. – 11:20 a.m.	Insurtech in the age of AI in the insurance industry	How Insurtechs Can Accelerate the Next Wave of Growth, Christian Irlbeck, Doug McElhaney, Katka Smolarova, Grier Tumas Dienstag writing for McKinsey, McKinsey & Company (May 5, 2022), (https://www.mckinsey.com/industries/financial-services/our-insights/insurance-blog/how-insurtechs-can-accelerate-the-next-wave-of-growth)
	11:30 a.m. – 12:20 p.m.	Course summary and conclusions	Time to talk, class.

Disclaimer: This syllabus represents my current plans and objectives. Those plans may need to change to enhance the class learning opportunity. Such changes, communicated clearly, are not unusual and should be expected.

Robert W. Lloyd



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Executive Bio

Bob is an experienced C-suite leader with more than twenty years of boardroom responsibilities in risk management, legal, regulatory, and compliance matters for Brown & Brown, Inc. [NYSE: BRO], the 6th largest publicly traded insurance broker in the world. He served in an executive leadership role with the highly acquisitive company from \$153.8M in revenue at the start of his 25-year career to nearly \$4B today. Bob has extensive experience in courtrooms, boardrooms, and convention rooms in leading and successfully managing risk and crisis response through a career that spanned Y2K, 911, the Great Recession, and the COVID-19 global pandemic, all while maintaining a keen sense of humor and optimistic vision for the future.

Bob's leadership path to the C-suite of Brown & Brown, Inc. occurred when engaged in the private practice of law with Cobb Cole & Bell, P.A. for nearly eight years. At the time, he was a commercial litigator with a specialization in labor and employment law. Bob successfully advocated cases in state and federal courts, in trial and on appeal. Among his many clients, Bob served as outside legal counsel for Brown & Brown and assisted in the transaction that took the company public in 1993.

Bob then joined Brown & Brown in January 1999 and rose in the ranks of leadership through 2023. He did not immediately serve in a legal counsel role. Rather, he started in the marketing department in, what was then, the largest retail profit center of the company in Daytona Beach. He immersed himself in the insurance brokerage business and led the office as Marketing Manager and ultimately Sales Manager. In 2001, Bob was an honored recipient of "Tangle B" award, which recognizes outstanding insurance sales achievement. Bob resumed his role as legal counsel for Brown & Brown at the end of 2001, but always embraced the importance of being in the company's business and not just around the business. He did not merely manage Brown & Brown's legal department – he built the department from scratch and drove its growth to its prominence in the enterprise today. He handled all risk, legal, regulatory and compliance matters in a fast-growth, highly acquisitive, dynamic company. He collaborated in the creation and implementation of policies and leadership principles including the company's ESG statement and crisis response. He recruited, hired, developed, and led a talented and scalable team of seven lawyers with an annual budget of more than \$25 million. Bob also served as Chief Risk Officer responsible for enterprise risk management and mitigation of all retained risk and risk transfer (insurance placements) for the company. His video, speaking, and written presentations to leadership have become near legendary, especially his "C'MON MAN!" presentations for the prevention of errors and omissions.

In addition to what might be typical responsibilities of a general counsel, Bob contributed his creativity, vision, and leadership to the cultural fabric of the company. He led company initiatives on government affairs and political giving. He fiercely guarded the company culture and was the creative force behind the company's premier annual sales meeting (called the Annual Sales Conclave), which rewards and recognizes outstanding sales achievement in the company and gathers over 2,000 of the company's best performers, spouses, and guests. Bob led and coordinated the company's corporate Communications, Brand & Digital initiatives for internal and external communications. He was also an active leader in the company's Operating Committee, the executive leadership team.

In addition to his decades of board participation at Brown & Brown, Bob devoted himself to board leadership in many public sector, private sector, and not-for-profit organizations. Florida Governor Ron DeSantis appointed him to the Daytona State College Board of Trustees, where he continues to serve today. He also served on the Economic Policy Advisory Committee, Florida Governor-Elect Ron DeSantis Transition Team, which aided in prioritizing economic policies for Governor Ron DeSantis' first term in office. Bob served on the board of directors of Raydon Corporation as one of two independent directors of this private company specializing in military simulation training. He supported the Florida insurance brokerage industry on the board of directors of the Florida Association of Insurance Agents (FAIA). Bob served on the SunTrust Bank of East Central Florida Community Advisory Board of Directors and presently gives back to his alma mater through a leadership role on the University of Florida Foundation National Board of Directors.

Bob embodies the ideals of servant leadership in his civic and community endeavors. He served as Chairman of the Daytona Beach Regional Chamber of Commerce, President of the Futures Foundation (supporting public education in Volusia County, Florida), President and co-founding director of Crime Stoppers of Volusia and Flagler Counties, executive committee member of the Central Florida Council of the Boy Scouts of America, and twice served as President of the Bethune-Cookman College Board of Counselors. Most recently, Bob served in the leadership of the Dr. Mary McLeod Bethune Statuary Fund, Inc., a once-in-a-lifetime project which raised over \$1 million in private funds to create an erect a statue in the likeness of Dr. Mary McLeod Bethune, one of the two statues representing the State of Florida in National Statuary Hall in the U.S. Capitol.

For his service and leadership, he was recognized in 2022 by the *GC Powerlist Miami*, listing the most exceptional, diligent and celebrated in-house lawyers. In 2017, the National Eagle Scout Association (Boy Scouts of America) honored him with the Outstanding Eagle Scout Award. Florida Trend Magazine recognized Bob twice as "People to Know" in its August 2018 and August 2021 publications. In 2023, Bob was honored by the University of Florida Levin College of Law with its Outstanding Alumnus Award.

Bob is a graduate of the University of Florida College of Law, where he received a Juris Doctor and Bachelor of Arts degree from the University of Florida. He holds a Florida 220 General Lines Insurance License and distinguished his professional insurance credentials with the Certified Insurance Counselor (CIC) designation and the Chartered Property Casualty Underwriter (CPCU) designation. Bob is a lawyer in good standing with the Florida Bar and a 32-year member of the Florida Bar Labor & Employment Law Section. He has held the highest security clearances from the Florida Department of Law Enforcement, Federal Bureau of Investigation, U.S. Secret Service and Central Intelligence Agency.

On the personal side, there is a Fender Stratocaster upstairs at home, but Bob can't play a lick. He has a completed manuscript of the next great American novel but has yet to find a publisher. Bob and his wife, Sherri, have visited 45 of America's national parks, but they still have 18 to visit on his personal goal of 63X63. Bob currently lives in Port Orange, Florida, with his greatest love of 27 years, Sherri, and their two dogs, Emmitt and Lola. They visit Gainesville, Florida often to cheer and encourage their talented children, Delaney and Matthew, who both attend the University of Florida.