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ACTUARIAL
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AI Office Consultation on Trustworthy general-purpose AI models under the AI Act (and AI Code of Practice)

Summary of Key Messages





Consultation Summary Note

[Background document](#)

[Read consultation response](#)

<p>Purpose of the consultation</p>	<p>The consultation on Trustworthy General-Purpose AI models under the AI Act sought input from stakeholders to shape the development of guidelines and practices for the responsible use and governance of AI technologies. It focused on transparency, risk mitigation, and ethical considerations for AI systems, especially those with broad applications. The feedback will inform the implementation of the AI Act and the development of a Code of Practice to ensure AI models operate safely, legally, and ethically across various sectors, including finance and other high-impact areas.</p>
<p>Issuing Authority</p>	<p>European Commission AI Office</p>
<p>Brief Overview of AAE Response</p>	<p>The Actuarial Association of Europe (AAE) emphasized the importance of managing risks in the financial sector, ensuring that AI systems are well-documented and subject to ongoing risk management processes. AAE advocated for transparency in AI model development and stressed the need for proportional compliance, with governance measures aligning with the AI system's potential impact. Collaboration with European financial regulators was recommended to address risks related to algorithmic trading and market stability. Ethical governance, including independent oversight and regular audits, was highlighted, as well as the need to address biases in AI models to ensure fair decision-making in insurance and pensions. Additionally, AAE cited actuarial standards, especially ESAP1, to ensure proper model governance, peer reviews, and bias mitigation for actuaries using general-purpose AI models.</p> <p>It is noted that the format of the consultation included multiple choice questions with tick-boxes, as well as questions asking us to rank priorities or importance of items. It is challenging to capture all the details in a summary and the reader should refer to the full response.</p>
<p>Notes</p>	<p>Even though we do not provide or deploy AI systems as an association, there were several areas where we were able to contribute as a profession to the consultation, noting the increasing number of actuaries who are active in the area of AI.</p>
<p>List of volunteers/contributors</p>	<p>AAE Artificial Intelligence and Data Science Working Group</p>
<p>Assigned Committees</p>	<p>Professionalism Committee</p>
<p>Board Reviewers</p>	<p>Lutz Wilhelmy and Malcolm Kemp</p>
<p>Deadline</p>	<p>18 September 2024</p>
<p>Submission date</p>	<p>18 September 2024</p>



Summary of main messages in AAE Response

- **Risk Management:** AAE emphasised the importance of managing risks, particularly in the financial sector, to prevent systemic risks such as financial instability or unethical AI-driven decisions. We noted that model documentation should set out the ongoing risk management procedures of the provider, to ensure that the model is fit for use, and meets ethical standards.
- **Transparency and Documentation:** AAE advocated for maintaining transparency, with detailed documentation on model development and data sources to ensure AI systems were reliable and unbiased.
- **Proportional Compliance:** AAE suggested a proportional approach to compliance, where governance measures matched the potential harm and market reach of the AI system, regardless of the provider's size.
- **Collaboration with Financial Regulators:** AAE called for collaboration between the AI Office and European financial regulators (ECB, ESRB, and ESAs) to address risks specific to financial markets and the insurance sector. We noted that due consideration to financial risks such as those arising from algorithmic trading, automated pricing and underwriting etc. should be considered, with particular focus on systemic risks that affect market stability.
- **Ethical Governance:** AAE highlighted the need for strong ethical governance frameworks, with independent oversight and regular audits to assess unintended consequences of AI systems.
- **Bias and Discrimination:** AAE supported identifying and mitigating biases within AI models to ensure fair and accurate decision-making in risk assessments and pricing in insurance and pensions. In particular, we highlighted that providers should indicate known or suspected instances / conditions where their models are known to be prone to make errors or where their outputs should not be trusted. They should also provide a high-level summary of data sources or transformations, how they have addressed biases.
- We have cited the requirements of actuarial standard ESAP1 in particular ESAP1 with respect to model governance, peer review requirements, data and assumptions, noting that documentation provided for GPAI models should be sufficient for actuaries to fulfill their technical and professional standards.



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