

YOUR PROFESSIONAL AND ETHICAL OBLIGATIONS IN THE AGE OF AI

— A guide



CHAMBRE
DE L'ASSURANCE
DE DOMMAGES



The three key ethical duties :

- the duty of competence, including technological competence;**
- the duty of confidentiality and protection of personal information (information security) ;**
- the duty of honesty and transparency.**

Introduction

Artificial intelligence (AI) is transforming the way insurance professionals provide advice and services to their customers. Although the adoption of AI is not recent, its integration, use and impact on financial and insurance services is evolving rapidly, offering more and more opportunities to optimize business processes and decision-making.

Certified representatives need to understand the correlation between generative AI and their professional obligations to ensure compliance.

This guide provides :

- an overview of the three key ethical duties that certified representatives should keep in mind when using generative AI (competence, information security and transparency);
- practical advice on how to meet your ethical obligations;
- basic definitions ;
- a description of the four main known risks associated with the use of AI.

Note: this tool mainly concerns generative AI, but is not limited to it.

Lexicon

Artificial Intelligence (AI)

There are several categories of AI. A broad definition of AI is "the ability of a machine to reproduce human behaviors or activities, such as reasoning, learning, planning and creativity to perform activities."¹

Artificial Intelligence System (AIS)

A technological system that processes data autonomously or partially autonomously using algorithms, neural networks, machine learning or other techniques to generate content, make predictions or recommendations, or make decisions².

Generative AI

Generative AI uses existing data to generate "new content similar to the data on which it has been trained"³ (image, text, audio, computer code), in response to user input, a question or a detailed prompt.

One of the main features of generative AI is that it provides **answers to questions** based on probabilities of answers, but without understanding the meaning of the generated text!

As such, AI can generate semantically correct sentences, but it assembles words by statistical correlation, i.e. words most likely to make sense together. The text seems to make sense, but the generative AI doesn't understand it, and the generated content may end up meaningless.

Examples of generative AI tools :

- popular applications, such as ChatGPT or Copilot, based on large language models (LLM).
- tools that produce images from prompts, such as DALL-E.

Public AIS

Refers to an AIS developed and deployed for access to a wide audience. Anyone with an Internet connection can use it. The information transmitted by prompts is processed on servers the user does not control, where the data can be analyzed and redistributed to the public. This raises concerns about confidentiality and information security.

Private AIS

Refers to an AIS that operates in a closed, restricted environment. Such a system may be provided by a third party, or be developed by the employer or an organization. It is integrated into an organization's specific IT systems. The information exchanged by prompts circulates exclusively within the organization's network, where it is stored and redistributed according to the organization's established criteria, thereby reducing risk.

Request or prompt

Refers to a request or prompt is an instruction or series of instructions or given words provided to an AI system, which uses this information to generate responses or creations in text, image, or other form of media.

1. Inspired by the definition established by the European Parliament in 2020

2. From Bill C-27, Artificial Intelligence and Data Act (federal government)

3. PRÊT POUR L'IA, Conseil de l'innovation du Québec, p.4 (in French only)

The three key ethical duties

1. Duty of Competence (including technological competence)

The requirements of this duty

Certified representatives must provide their customers with services that meet the standard of a competent and diligent representative.

Certified representatives need to **understand the technologies** they use and that are made available to them by their employer. They must be able to use these technologies, taking into account the nature and scope of their practice and their responsibilities. Certified representatives must also understand the benefits and risks inherent in any relevant technology used in their practice.

Relevant sections

Act respecting the distribution of financial products and services: [s.16.](#)

Code of Ethics of Damage Insurance Representatives: [s.9](#); [s.17](#), [s.37.1](#), [s.37.2.](#)

Code of Ethics for Claims Adjusters: [s.25](#), [s.26](#), [s.58.1.](#)

The impact of AI on this duty

Before employing generative AI, certified representatives need to familiarize themselves with how it works, understand its capabilities and limitations, and recognize the risks associated with its use.

One of the unique powers of generative AI is that it can create new content, be it words, images or sounds. However, a generative AI tool can also invent or incorporate false or misleading information (commonly known as "hallucinations"), especially if it doesn't have sufficient data to answer a prompt. This means that AI-generated content may not be reliable.

Certified representatives must therefore take steps to verify or ensure the accuracy of the content generated in order to comply with this duty.

Practical tips

a) **Use your judgment and critical thinking.** Recognize that generative AI is a valuable tool, but not a substitute for the exercise of your professional judgment. Make sure you take the necessary steps to critically analyze and understand AI results, to ensure you are providing appropriate and personalized advice based on your customers' needs.

b) Make sure you **understand the features** and limitations of the platform you're using. You must exercise reasonable diligence when using the AI system to understand the results generated and verify their relevance.

c) **Learn how to write effective** prompts, adapted to your field of practice to improve the content generated.

d) **Check the content generated by the AI** and any information produced by the generative AI on which you rely. The verification process must be carried out independently by a human being.

e) **Develop, maintain or improve your technological** skills by taking advantage of training and tools provided by your employer or specialized conferences. Practice and talk to others about it!

2. Duty of confidentiality and protection of personal information (information security)

The requirements of this duty

Certified representatives must maintain the **confidentiality** of all information concerning the business and activities of their customers, insureds or claimants. Certified representatives also have an obligation **to protect the personal** information they collect under applicable laws and regulations.

The impact of AI on this duty

Certified representatives need to be careful about the information they use in a generative AI system. Depending on the AI tool used, this information may end up in the public domain, resulting in a breach of confidentiality and privacy obligations.

For example, you shouldn't upload a customer's financial situation or data to a public AIS to request the best insurance or insurance risk management strategies! This data could be used to train the AIS, or made available to others.

On the other hand, if your employer has deployed a private, closed AIS that is integrated into the organization's IT network and system, and that draws on an authorized data pool (e.g., the company's internal SharePoint library), you can use the AIS in accordance with the guidelines, and your confidentiality obligations would be respected.

Relevant sections

Code of Ethics of Damage Insurance Representatives: [s.23](#) and [s.24](#)

Code of Ethics for Claims Adjusters: [s.22](#), [s.23](#), [s.24](#)

Practical tips

- a) Before using an AIS, make sure you understand its risks, and verify how it uses the data you enter. Several AIS use this data to train or improve the tool.
- b) The transmission of personal information must be limited to private AIS, authorized and validated by your employer.
- c) Where the generative AI system does not have appropriate confidentiality, security and retention policies (e.g. a public AIS or an AIS that does not provide security guarantees), **do not use** personal, sensitive, confidential or privileged information.
- d) If confidentiality cannot be sufficiently protected by de-identifying customer information, explain the risks to your customer and obtain his or her informed consent before using the tool.

3. Duty of honesty and transparency

The requirements of this duty

Certified representatives have a duty of honesty, openness and transparency towards their clients and mandators. This duty requires certified representatives to inform their customers of any information they are aware of that may affect their interests.

The impact of AI on this duty

In a context of integration or use of generative AI, respecting this duty will depend on several factors, including :

- The generative AI technology used.
- The way in which the generative AI technology is used and the objective pursued in a given situation.
- The potential impact of generative AI technology on the products or services offered.
- Protocols and procedures put in place by your organization and the generative AI provider to minimize risks and ensure compliance.

Relevant sections

Act respecting the distribution of financial products and services: [s.16.](#)

Code of Ethics of Damage Insurance Representatives: [s.25](#), [s.37.6](#), [s.37.7](#).

Code of Ethics for Claims Adjusters: [s.20](#), [s.21](#), [s.27](#), [s.33](#), [s.58.3](#) and [s.58.5](#).

Where generative AI technology is relevant to the products and services provided, but may adversely affect the interests of customers or the resolution of their insurance claims, or where the risks associated with generative AI technology are of concern, certified representatives should inform customers that they are using this technology.

In these situations, certified representatives should be prepared to explain to customers how they use the technology in their files, the risks involved and the steps taken to mitigate them.

Practical tips

- a) Analyze the factors and circumstances surrounding the use of generative AI and assess whether disclosure of such use is necessary to provide your services.
- b) If disclosure is appropriate, be prepared to provide information to customers about the benefits and risks inherent in the generative AI technology employed.
- c) If possible, use watermarks or a mention to identify the content (or part of the content) generated by the AI.
- d) If the company uses generative AI conversational robots, consumers should be able to expect the company to be transparent in this regard and that appropriate safeguards are taken to avoid misunderstandings with customers or the transmission of false information.

The main AI risks in relation to your ethical obligations

As with any technological development, AI comes with many advantages, but also with a number of issues to keep in mind. Here are the issues most frequently mentioned in connection with professionals' ethical obligations:

1. Accuracy, truthfulness and reliability :



Hallucinations, invented or inaccurate information: in the field of AI, a hallucination is an answer that is false, invented, incoherent or inaccurate, but presented as valid.

In the professional practice of a certified representative, this could be an inaccurate explanation or summary of coverages, or an inaccurate assessment of insurable assets or losses.

Deepfakes: A deepfake is the modification or manipulation of images or recordings to make it appear that someone has done or said something that was not actually done or said. The technology has been around for a long time (e.g. Photoshop, fraudulent emails or messages that appear to come from a reliable source), but AI progress now makes it possible to achieve more realistic and convincing results. In addition to attempts to defraud individuals and companies (e.g. to obtain money), deepfakes can damage a person's or company's reputation if false images or videos are created and made public.

In the practice of a certified representative, deepfakes (e.g. imitating the voice of a customer or an executive) could be used to attempt to defraud your company or that of a customer, modify insurance coverages or obtain personal information for malicious purposes.

2. Invasion of privacy and confidential information :



By definition, AIS use the information and data provided in a prompt to generate a response, information or calculation. Such data, if personal or confidential, may be managed or stored insecurely, or used to train the model, without appropriate consent.

For example, if a certified representative prompts a public AIS and includes information about a customer (address, credit rating, etc.), this violates the customer's privacy and the obligation to protect his or her personal and confidential information.

3. Discriminatory biases :



Biases exist outside AI and can lead to human decisions that are sometimes incorrect, or subjective and discriminatory. They can therefore be reproduced by AIS, but can also be significantly amplified, as they are integrated into the algorithms employed by AIS (for example, by using biased, incomplete or statistically insufficient data).

For example, a claims adjuster who uses an AIS to analyze the admissibility of claims. If the data used to train the model is itself biased, the AIS could refuse a higher proportion of claims or offer lower amounts on the basis of prohibited grounds of discrimination.

4. Copyright and intellectual property :



Generative AI models are trained using large quantities of data, images, text and other information obtained from different sources, often from public databases. However, as this content may be subject to copyright, the unauthorized and undeclared use of its content to form generative AIS may infringe applicable rights.

For example, a certified representative who uses a reference (text, sound or image) found with the help of an AIS without the author's authorization or without citing the source to share it on his or her professional social network.

Conclusion

Professional independence and AI

Professional independence means exercising one's profession objectively, freely from any intervention by a third party that could influence the performance of one's professional duties. The spirit of the codes of ethics must be respected to avoid causing prejudice to the customer. In this sense, professional independence can be seen as an umbrella obligation over other ethical duties.

In damage insurance, this notion means that the certified representative must always exercise his or her professional judgment in the best interests of the customer. To find out more, please read the article “ [Ethical Obligations Take Precedence Over....](#) ”

Similarly, the use of AI will continue to develop and promises substantial improvements in many fields, including damage insurance. However, certified representatives need to exercise judgment and maintain a critical eye with regard to the use of AI in their practice: an AIS is a tool to support you in your work, without replacing your expertise and judgment.

The translation of this document was done using AI but was reviewed by humans.