

\*\*\*The definition of “proxy discrimination” listed below was submitted by Professor Daniel Schwarcz to the National Association of Insurance Commissioners (NAIC) during the NAIC’s deliberations regarding its Principles on Artificial Intelligence\*\*\*

Proxy discrimination occurs when insurers discriminate based on facially-neutral traits that (i) are correlated with membership in a protected groups, AND (ii) are predictive of losses for precisely that reason.