FOCUS



MEET THE POLICY MAKERS

FAIRNESS YOU CAN EXPLAIN

Kate Harris, Chief Deputy Commissioner of the Colorado Division of Insurance, on what two years of AI reports taught the first state to regulate them, and why the carrier always answers for the outcome

© 2026 FOCUS. ALL RIGHTS RESERVED.



FEATURED POLICY MAKER

Kate Harris

Chief Deputy Commissioner · Colorado Division of Insurance

IN HER WORDS

“We expect the carrier to be able to explain decisions in plain language.”

Kate Harris is Chief Deputy Commissioner of the Colorado Division of Insurance, helping lead the agency across both property and casualty and life and health. From 2019 to 2023 she served as the Division’s Deputy Commissioner for Life and Health Policy, the period when Colorado’s AI-governance work under Senate Bill 21-169 began with life insurers. Earlier roles across Colorado’s and Washington’s health-insurance marketplaces and behavioral-health access shaped a career centered on consumer access and affordability.

> *“At the end of the day, DOI will hold the carrier responsible for outcomes.”*

FOCUS put eight questions to Harris in writing this summer, and her feature runs as she answered them, in her own words. The throughline is a pair of ideas: fairness a carrier can demonstrate, and decisions a person can understand.

Where Jason Lapham reads the property and casualty market, Harris carries the division-wide view and the life and health origin of Colorado’s approach to AI. **The record of the exchange begins on the next page.**

SOURCE: FOCUS INTERVIEWS

© 2026 FOCUS. ALL RIGHTS RESERVED. · TEAMFOCUSINS.COM/POLICYMAKERS

IN HER WORDS

WHERE IT BEGAN

Harris led the Division's Life and Health Policy work when Colorado wrote the nation's first insurance AI-governance law. The first two years of annual reports told the Division exactly where the industry stood.

You led Life and Health Policy when SB 21-169's governance work began with life insurers. What did those first two years of annual AI reports actually teach the Division?

KATE HARRIS

*When we started implementation work, we suspected there would be a wide range of insurer preparedness for governance around big data, AI, and predictive models because **this was the first time carriers had to put together this information for a regulator**. That was one of the reasons why we established governance and risk management requirements as an initial step. Our impressions were correct in that the first annual reports we received reflected that wide range of preparedness. However, **the second year showed a maturity on the part of carriers across the board** with increasing levels of sophistication on governance.*

Now that auto and health insurers are reporting too, what should they expect, and what did life insurers learn the hard way that the others can skip?

KATE HARRIS

From our side, life insurers didn't have any particularly hard lessons; the process went well. Although we focused initially on life insurers, we have expectations that other insurers will have a head start on what is expected.

SB 21-169

Colorado's 2021 law on insurers' use of big data and predictive models. Harris helped lead its early implementation.

2 yrs

Of annual AI reports from life insurers, the proving ground for Colorado's governance approach.

July 1

The 2026 date the first annual reports from auto and health insurers came due.

2019–23

Harris' years leading Life and Health Policy, where the SB 21-169 work began.

SOURCE: FOCUS INTERVIEWS

© 2026 FOCUS. ALL RIGHTS RESERVED. · TEAMFOCUSINS.COM/POLICYMAKERS

IN HER WORDS

WHERE THE STAKES LIVE

Asked where she worries most about AI and big data touching access or affordability, Harris mapped the risk line by line: health, personal lines, and life each carry their own stakes.

Health and life raise different fairness questions than auto or homeowners. Where do you worry most about AI and big data touching access or affordability?

KATE HARRIS

On the health side, the use of AI or predictive models for utilization reviews or to assist in prior authorization decisions has the potential to make these processes easier and faster, but there are risks that those tools will lead to certain populations being subject to unfair discriminatory practices and outcomes, which SB 21-169 is trying to prevent, or inaccurate denials which we have also heard as a growing concern.

For personal lines like auto and homeowners insurance, the main concerns center on how the use of big data and complex predictive models can inadvertently lead to unfairly discriminatory underwriting and pricing outcomes for protected classes without discriminatory intent.

There is also the "black box" problem that occurs with complex algorithms making it difficult for regulators, consumers and even insurers to fully understand pricing decisions which raises concerns about lack of transparency and explainability. ***This is why we think the concept of explainable fairness is a key.***

The life side doesn't have the same stakes as the others. But it's still important for life insurers to demonstrate that their predictive models are not causing unfair discrimination.

When a consumer doesn't understand why a decision went against them, what do you expect the carrier to be able to do?

KATE HARRIS

We expect the carrier to be able to explain decisions in plain language and in a way that is intuitive to an average person.

SOURCE: FOCUS INTERVIEWS

© 2026 FOCUS. ALL RIGHTS RESERVED. · TEAMFOCUSINS.COM/POLICYMAKERS

IN HER WORDS

WHO ANSWERS FOR IT

As AI absorbs more of the work inside carriers, Harris' answer to the accountability question never moves. The Division wrote it into the rules.

As AI absorbs more of the work inside carriers, who do you expect to answer for an outcome, and does that change who the Division holds responsible?

> KATE HARRIS
>
> *As stated quite explicitly in our regulation 10-1-1: "If an insurer uses third-party vendors and other external resources with respect to ECDIS, as well as algorithms and predictive models that use ECDIS,* ***the insurer remains responsible****..."*
>
> *We also included in our governance rules accountability requirements for carriers so they can't just blame the black box of the modeling.* ***At the end of the day, DOI will hold the carrier responsible for outcomes.***

What separates a carrier genuinely governing its models from one checking a box?

> KATE HARRIS
>
> *When a carrier can identify a risk through a governance process, and then responds to it. When we hear actual experience from carriers on going through the governance process and how it informs their decision making, we know they are genuinely governing their models.*

FOCUS PERSPECTIVE

Built so the carrier can answer

Regulation 10-1-1 names the operating reality FOCUS accepts as a third-party partner: the carrier remains responsible for every outcome. So FOCUS engineers its AI-enabled operations for exactly the accountability Harris describes, with the evidence ready before anyone asks.

- **Human intervention** built into the workflow
- **Observability** into how a result is reached
- **Accountability**: a named owner per output
- **Decisioning**: model work, licensed review
- **Auditability** to reconstruct any decision

PETE CROWE, PRESIDENT · FOCUS

SOURCE: FOCUS INTERVIEWS

© 2026 FOCUS. ALL RIGHTS RESERVED. · TEAMFOCUSINS.COM/POLICYMAKERS

IN HER WORDS

THE OPEN DOOR

For all the rulemaking, Harris' advice to every carrier and MGA reduces to one word: transparency. The regulator that wrote the first playbook wants the conversation early.

If you could tell every carrier and MGA one thing about working with a regulator in this environment, what would it be?

> KATE HARRIS
>
> ***Transparency.*** *It's really important for carriers to have forthright conversations with regulators so we can work with them on new processes and tools they are considering. Even if they are not sure how we will react, we want to stress that we are always open to a conversation and want to work together.*

What makes you optimistic about where regulation and the industry are headed together?

> KATE HARRIS
>
> *Since we were at the forefront of regulating AI with SB 21-169 and we are tackling the core components of governance and unfair discrimination, we are well positioned to think about what comes next from a regulatory perspective. We've successfully worked with carriers on SB 21-169 in Colorado, and as AI continues to be a larger part of the insurance industry,* ***we are confident that we can maintain our partnership with carriers through future regulation.***

FOCUS operates on the same conviction. Its AI-enabled operations pair the intelligence with the accountability Harris describes: a person owns every decision the model touches, and the trail behind it can be reconstructed on request. The carriers and MGAs FOCUS operates for should be the ones that can answer the Division's question with evidence.

BRING THE DIVISION IN EARLY

Colorado works with carriers on new processes and tools while they are still taking shape. The Division's governance expectations are set out in Regulation 10-1-1 at **doi.colorado.gov**.

SOURCE: FOCUS INTERVIEWS

FOCUS | Operational excellence, without compromise

© 2026 FOCUS. ALL RIGHTS RESERVED. · TEAMFOCUSINS.COM/POLICYMAKERS