

WAICA Re Responsible Artificial Intelligence Policy Statement

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1. Our Commitment

WAICA Reinsurance Corporation Plc and its subsidiaries, collectively referred to as “WAICA Re” or “the Group”, recognise that artificial intelligence can support innovation, operational efficiency, risk analysis, service delivery and sustainable business growth.

WAICA Re is committed to the responsible, lawful, ethical, secure and transparent use of artificial intelligence. The Group seeks to ensure that AI supports, rather than replaces, accountable human judgement, particularly where decisions may significantly affect customers, cedants, brokers, employees, investors, regulators, communities or other stakeholders.

This Policy establishes WAICA Re’s public commitments for governing the development, procurement and use of AI. It applies to AI systems developed internally and to AI-enabled products or services obtained from third parties.

2. Purpose

This Policy is intended to:

- Promote the responsible and beneficial use of AI.
- Protect privacy, confidentiality and information security.
- Prevent unfair, discriminatory, deceptive or harmful outcomes.
- Maintain appropriate human oversight of significant decisions.
- Promote transparency and explainability.
- Establish clear accountability for AI systems and their outputs.
- Define permitted, restricted and prohibited uses of AI.
- Manage legal, regulatory, operational, financial, reputational, social and environmental risks.
- Support continuous monitoring, assurance and improvement.
- Align AI use with WAICA Re’s values, sustainability commitments and responsible business objectives.

3. Scope

This Policy applies across WAICA Re and covers employees, directors, contractors, consultants, service providers and other authorised parties who develop, procure, operate or use AI on behalf of the Group.

It applies to relevant AI-enabled activities, including:

- Data analysis and predictive modelling.

- Generative AI and intelligent document processing.
- Underwriting and portfolio analysis.
- Claims and fraud-risk analysis.
- Actuarial, catastrophe and climate-risk modelling.
- Investment research and monitoring.
- Customer and business-partner services.
- Cybersecurity and information-security monitoring.
- Compliance and regulatory analysis.
- Workforce and administrative processes.
- AI functionality embedded in third-party applications.

All use of AI must comply with applicable laws, regulations, contractual obligations and WAICA Re policies.

4. Responsible AI Principles

4.1 Lawfulness

WAICA Re will use AI in accordance with applicable legal and regulatory requirements in the jurisdictions in which the Group operates. Relevant requirements may include insurance supervision, data protection, cybersecurity, intellectual property, employment, competition, consumer protection, human rights and financial reporting obligations.

AI will not be used to circumvent legal requirements, regulatory obligations, internal controls or delegated authority.

4.2 Data Privacy and Confidentiality

WAICA Re respects privacy in the development and use of AI. Personal and sensitive information will only be processed for legitimate, lawful and defined purposes.

The Group's approach includes:

- Collecting and using only information reasonably necessary for an approved purpose.
- Protecting personal, customer, employee and commercially sensitive information.
- Applying appropriate access, retention and security controls.
- Assessing privacy risks for material AI applications.
- Using anonymisation, pseudonymisation or other protective measures where appropriate.
- Respecting applicable data rights.
- Restricting the entry of confidential information into unauthorised AI services.

WAICA Re information must not be uploaded to or processed through an unapproved AI platform.

4.3 Cybersecurity and Resilience

AI systems will be subject to proportionate cybersecurity and operational-resilience controls. WAICA Re will seek to protect AI systems, associated data and technology environments against unauthorised access, manipulation, data leakage, malicious inputs and other cyber threats.

Relevant measures may include:

- Identity and access management.
- Least-privilege access.
- Secure configuration and authentication.
- Encryption and protected communications.
- Security and vulnerability assessment.
- Monitoring and logging.
- Incident management.
- Backup, recovery and continuity planning.
- Appropriate testing before deployment and after material changes.

4.4 Fairness and Avoidance of Bias

WAICA Re will seek to prevent unjustified discrimination and unfair outcomes arising from AI.

Material AI applications will be assessed, as appropriate, for:

- Data quality and representativeness.
- Potential historical or algorithmic bias.
- Unjustified differences in outcomes.
- The use of inappropriate proxy variables.
- Possible disproportionate impacts on affected stakeholders.
- Opportunities to correct or mitigate identified bias.

An AI system may be restricted, corrected or withdrawn where harmful bias cannot be reduced to an acceptable level.

4.5 Human Oversight

WAICA Re will maintain appropriate human involvement in significant or critical decisions.

AI may support professional judgement but will not replace the responsibility of an authorised decision-maker. Individuals responsible for decisions must be able to:

- Review relevant information.
- Question or challenge an AI output.
- Correct, override or reject an output.
- Request additional analysis.
- Escalate concerns.

- Suspend inappropriate reliance on an AI system.

AI will not be the sole basis for a significant decision relating to underwriting, claims, investments, employment, regulatory reporting or access to material services where human review is required by law, regulation or Group policy.

4.6 Transparency and Explainability

WAICA Re will seek to provide an appropriate level of transparency about its use of AI, taking account of the nature of the system, the significance of the outcome and the interests of affected stakeholders.

Material AI systems should have proportionate documentation covering:

- The purpose of the system.
- The nature of the data used.
- Significant assumptions and limitations.
- The role of human judgement.
- Known risks and controls.
- Responsibility for the system and its outputs.
- The basis of material recommendations or decisions, to the extent reasonably explainable.

Where appropriate, individuals affected by a significant AI-assisted decision may be informed that AI was involved and provided with an understandable explanation, subject to legal, security, confidentiality and intellectual-property considerations.

4.7 Accountability

Accountability for AI outcomes remains with WAICA Re and its designated decision-makers. Responsibility cannot be transferred to an AI system or external provider.

Material AI systems will have appropriately assigned ownership, approval, monitoring and review responsibilities. Users remain accountable for validating AI-generated information before relying on it or incorporating it into an official decision, communication or record.

4.8 Defined Boundaries

Every material AI application will have clear boundaries identifying:

- Its approved purpose.
- Authorised users.
- Permitted data.
- Decisions it may support.
- Decisions it must not make.
- Circumstances requiring human review.

- Material limitations.
- Conditions requiring escalation, restriction or withdrawal.

AI applications must not be repurposed for materially different uses without appropriate assessment and authorisation.

4.9 Environmental Responsibility

WAICA Re recognises that AI systems and supporting infrastructure may consume energy, water and computing resources.

Where reasonably practicable, the Group will:

- Consider resource efficiency when selecting AI solutions.
- Prefer appropriately efficient models and services.
- Avoid unnecessary computation, duplication and data storage.
- Engage relevant providers on energy efficiency and environmental performance.
- Consider available environmental information in material technology procurement.
- Assess measurable environmental effects of significant AI initiatives where reliable data is available.

4.10 Responsible Innovation

WAICA Re will seek to use AI in ways that deliver legitimate stakeholder and business value, including improved risk insight, process efficiency, service quality, operational resilience, financial inclusion and sustainability performance.

Expected benefits must be considered alongside reasonably foreseeable risks to people, the Group, society and the environment.

5. Prohibited AI Practices

WAICA Re will not knowingly develop, procure or use AI systems that:

- Employ harmful manipulation, deception or subliminal techniques intended to impair informed decision-making.
- Exploit vulnerabilities associated with age, disability, economic circumstances, limited knowledge or similar factors.
- Apply social scoring that results in unrelated, unjustified or disproportionate adverse treatment.
- Conduct unauthorised biometric identification, categorisation or surveillance.
- Indiscriminately collect images or biometric data to create identification databases.
- Infer sensitive personal characteristics without a lawful and properly authorised purpose.
- Make solely automated final decisions on material allegations of fraud, misconduct or criminal behaviour without adequate human review and evidence.

- Produce fabricated evidence, records or disclosures intended to mislead customers, regulators, auditors, investors or other stakeholders.
- Impersonate an individual or organisation without proper authority.
- Circumvent security controls, approval requirements or delegated authority.
- Generate or facilitate unlawful, discriminatory, defamatory, fraudulent or materially misleading content.
- Use confidential WAICA Re or stakeholder information in an unauthorised public AI system.
- Infringe privacy, intellectual-property, confidentiality or contractual rights.
- Operate in any other manner prohibited by applicable law.

These commitments reflect internationally recognised concerns regarding harmful manipulation, exploitation of vulnerabilities, social scoring and certain biometric practices.

6. Risk-Based Governance

WAICA Re applies a risk-based approach to AI. The level of assessment, approval, oversight and monitoring will reflect the system's purpose, complexity, data, users and potential impact.

Prohibited AI

AI practices prohibited by this Policy or applicable law may not be used.

Higher-Risk AI

Enhanced governance will apply where AI may materially affect:

- Customers, cedants or other external stakeholders.
- Underwriting, pricing or claims outcomes.
- Investment, actuarial, capital or solvency decisions.
- Employment-related decisions.
- Personal or sensitive information.
- Regulatory or financial reporting.
- Critical systems or operational continuity.
- Legal rights or access to significant services.
- Vulnerable individuals or communities.

Higher-risk systems require proportionate assessment, validation, human oversight, monitoring and senior authorisation.

Lower-Risk AI

AI used for routine productivity or administrative support remains subject to confidentiality, cybersecurity, acceptable-use, accuracy and human-review requirements.

The classification of an AI system will be reconsidered when its purpose, data, functionality, provider, users or potential impact changes materially.

7. Governance and Policy Endorsement

The **WAICA Re Group Board of Directors** is the highest endorsing authority for this Policy.

The Board provides oversight of material AI risks and opportunities and ensures that the Group's use of AI remains aligned with its strategy, values, governance framework and risk appetite.

Executive Management is responsible for implementing the Policy and ensuring that appropriate governance, expertise and resources support responsible AI use.

Relevant business, technology, risk, compliance, legal, information-security, data-protection, human-resources, sustainability and assurance functions contribute to the assessment and oversight of AI according to their respective responsibilities.

WAICA Re's corporate governance reporting identifies digitalisation, data analytics, employee reskilling, AI tools and cybersecurity risk as matters considered within technology governance.

8. Responsible Artificial Intelligence Programme

WAICA Re will maintain a proportionate Responsible Artificial Intelligence Programme to translate this Policy into practice.

8.1 AI Inventory

Material AI systems will be identified and recorded to support ownership, risk assessment, review and lifecycle management.

8.2 Access to Sensitive Capabilities

Access to sensitive AI capabilities, including biometric processing, facial recognition, surveillance, large-scale profiling and materially autonomous decision-making, will be limited to appropriately authorised purposes and users.

Prohibited capabilities will not be authorised.

8.3 Labelling of AI-Generated Content

AI-generated content will be identified where labelling is necessary to avoid misleading stakeholders or where required by law.

This may include:

- Public-facing AI-generated communications.

- Synthetic images, audio or video.
- Interactions substantially conducted by AI.
- Material outcomes produced through automated processing.
- Unreviewed AI-generated analysis supplied for decision-making.

Labelling may not be necessary for routine internal assistance where an authorised person has fully reviewed, validated and accepted responsibility for the final content.

8.4 Model Performance and Drift

Material AI systems will be monitored for:

- Declining accuracy or reliability.
- Changes in input data.
- Unexpected outputs.
- Emerging bias.
- Changes in the operating environment.
- Security vulnerabilities.
- Material provider or system updates.
- Performance falling below approved expectations.

Where necessary, an AI system may be corrected, retrained, recalibrated, restricted, replaced or withdrawn.

8.5 Fairness and Bias Reviews

Proportionate fairness and bias assessments will be conducted for relevant AI systems before deployment, following material changes and periodically during operation.

Significant findings will be investigated and addressed. Systems presenting unacceptable residual risks will not be deployed or will be suspended.

8.6 Environmental Initiatives

WAICA Re will seek opportunities, independently and with relevant suppliers, to reduce the ecological footprint of material AI services. Measures may include efficient model selection, responsible data storage, avoidance of unnecessary computing and consideration of lower-impact infrastructure.

8.7 Appeals and Human Review

Where an AI-assisted decision has a significant effect on a person or external stakeholder, and where appropriate or legally required, the affected party may request human review.

The review will be undertaken by an appropriately authorised person who is able to consider relevant information, reassess the outcome and correct the decision where necessary.

Stakeholders may raise concerns in good faith without retaliation.

8.8 Sustainability Outcomes

Where practicable and supported by reliable information, WAICA Re will assess the contribution of material AI initiatives to sustainability outcomes such as:

- Improved process and resource efficiency.
- Enhanced climate and catastrophe-risk understanding.
- Increased accessibility or financial inclusion.
- More effective fraud prevention.
- Improved service delivery.
- Workforce capability development.
- Energy and emissions implications.

Public sustainability claims relating to AI will be based on appropriately reviewed evidence.

8.9 Employee Training

Employees will receive proportionate awareness or role-specific training on:

- Responsible and ethical AI use.
- Data privacy and confidentiality.
- Cybersecurity.
- Fairness and bias.
- Human oversight.
- Intellectual-property considerations.
- Verification of AI-generated information.
- Permitted and prohibited uses.
- Incident and concern reporting.

8.10 Incident Reporting

Employees and relevant third parties are expected to report material AI concerns, including:

- Unauthorised use.
- Privacy or confidentiality incidents.
- Security vulnerabilities.
- Discriminatory or harmful outputs.
- Significant inaccuracies.
- Unexpected system behaviour.
- Failure of human-oversight arrangements.
- Suspected manipulation or misuse.

Reported concerns will be assessed and addressed through the Group's applicable governance, risk, compliance, information-security or whistleblowing processes.

9. Responsible Use in WAICA Re's Operations

Underwriting

AI may support risk analysis, portfolio monitoring, pricing and related underwriting activities. Final material underwriting decisions remain subject to professional judgement, delegated authority and appropriate review.

Claims and Fraud-Risk Analysis

AI may support document analysis, claims triage, anomaly detection and fraud-risk identification. AI output alone will not constitute a final finding of fraud or the sole basis for repudiating a claim.

Actuarial and Risk Analysis

AI-assisted actuarial, climate, catastrophe, capital and risk analysis will be subject to proportionate validation. Material assumptions, limitations and uncertainties will be communicated to relevant decision-makers.

Investments

AI may support investment research, portfolio analysis, ESG assessment and monitoring. Investment decisions remain subject to applicable mandates, due diligence, authorised human judgement and governance requirements.

Compliance

AI may support regulatory analysis, screening, monitoring and the prioritisation of alerts. Material compliance conclusions and regulatory submissions require appropriate human review.

Employment

AI will not be the sole decision-maker for recruitment, promotion, remuneration, performance management, disciplinary action, redundancy or termination. Employment-related AI will be subject to enhanced privacy, fairness and human-oversight considerations.

Public Communications and Reporting

AI-generated information intended for financial, regulatory, sustainability, investor, website or other public reporting must be verified and appropriately authorised before publication.

Facts, references, calculations and sustainability claims must be checked against reliable source information.

10. Third-Party AI

WAICA Re expects third-party AI providers to maintain appropriate standards of governance, privacy, cybersecurity, fairness, transparency, reliability and regulatory compliance.

Risk-based due diligence may consider:

- The provider's governance and reputation.
- Information-security and privacy standards.
- Permitted use of WAICA Re data.
- Data hosting and cross-border processing.
- System transparency and documentation.
- Performance and continuity arrangements.
- Incident notification.
- Subcontractor dependencies.
- Intellectual-property rights.
- Environmental practices.
- Secure termination and data deletion.

External claims that an AI system is responsible, ethical or compliant will be evaluated proportionately before reliance is placed on such claims.

11. Monitoring, Assurance and Verification

WAICA Re will periodically assess the effectiveness of its Responsible AI governance arrangements. Assurance activities may include management reviews, risk and compliance assessments, security testing, model validation, internal audit and independent evaluation.

The Group will consider external verification of its AI management arrangements against an appropriate recognised standard as its Responsible AI Programme matures.

ISO/IEC 42001 provides requirements for establishing, implementing, maintaining and continually improving an AI management system. Publication of this Policy does not represent a claim that WAICA Re is certified against ISO/IEC 42001.

The Group may also consider relevant elements of the NIST AI Risk Management Framework when enhancing its AI governance and risk-management practices.

12. Continuous Improvement

WAICA Re will review this Policy periodically and in response to significant changes in:

- Applicable laws and regulations.
- AI technology and associated risks.
- The Group's strategy or operating environment.
- Stakeholder expectations.

- Material AI incidents.
- Recognised standards and good practice.

The Group will continue to strengthen its governance, workforce awareness, cybersecurity, data protection and risk-management capabilities as AI technologies evolve.

13. Our Public Commitment

WAICA Re is committed to using artificial intelligence in a manner that is:

- Lawful and responsible.
- Secure and privacy-respecting.
- Fair and inclusive.
- Transparent and appropriately explainable.
- Subject to meaningful human oversight.
- Accountable and auditable.
- Environmentally conscious.
- Aligned with stakeholder interests and sustainable value creation.

Through this Policy, WAICA Re seeks to realise the benefits of artificial intelligence while protecting the rights and interests of stakeholders and maintaining the trust on which its business depends.