

Jim's Perspective...

Technology and Society

On August 14, the NAIC, at its summer virtual meeting, adopted a set of principles that sets forth requirements that artificial intelligence systems operate in a fair and ethical manner; avoid proxy discrimination against protected classes; be transparent and have secure and safe outputs. There was an NAIC Working Group that began work on the AI principles over a year ago. The Working Group used the Organization for Economic Cooperation and Development (OECD) AI principles as a reference source. The OECD's AI principles have been adopted by 42 countries including the United States. The use of AI and big data has changed how risk is identified and rated. It now plays a vital role in the operation of the insurance industry. As I mentioned before, in the old days your auto rate might go up after you had an at-fault accident, but at least insurance consumers understood the connection. Today, your rate may go up (or down!) based upon AI or big data that can't be checked or verified by the insurance consumer. I haven't seen the NAIC principles on AI, but may write about this at a later date.

Of course, technological advancement and change is not limited to insurance. We all experience the impact of technology everyday. The ability to work remotely from home. Zoom meetings. Facebook, texts, Alexa, emails, Twitter and photographic opportunities with cell phones 24/7. I don't think society has figured out how to manage all of this computer technology and AI. All of this can be rather unsettling, but this is not the first time mankind has had to adjust to new technological inventions that have had an enormous impact on how people live.

In Germany, around 1440, Johannes Gutenberg invented the printing press. He was a goldsmith and made religious mementos for the pilgrimage trade and it was this background that helped him come up with the idea of metallic movable type placed in a wooden press that produced a printed page. Within a decade of its invention, the printing press could be found in every sizable community. More books were printed in the five decades after Gutenberg's invention than had been produced by scribes during the previous 1,000 years. The printing press decentralized the role of gatekeeper of ideas. In a scribal culture, maintaining control over ideas and their dissemination was easy. In a printing culture, control became much more difficult. Prior to the printing press the Catholic church, primarily through scribes at monastic institutions, copied religious doctrines and the bible, and issued what were described as "universal truths." The printing press allowed people to print whatever they wanted. It put universal truth up for grabs. Martin Luther's challenge to Catholic orthodoxy was powered by the printing press. Luther posted his famous 95 theses in 1517. Within three years, his printed works had sold some 300,000 copies. The printing press was the catalyst for the Reformation and the Renaissance of the 15th and 16th centuries. Unlike monastic scribes, governed by universal truths or the "one true way," printers were profit seeking entrepreneurs. They published whatever would sell. Before long, you could find anything in a printed book – conspiracy theories (sounds familiar!), magic spells, recipes, satire, erotica. You could find support for any point of view. You could just make something up and set it in type, and people would say, *I read it in a book.*¹ Through all

¹Eisenstein, Elizabeth, *The Printing Revolution in Early Modern Europe*. Cambridge University Press (2005).

of this, however, society found a way to live together and move forward with life. Hopefully, we can too, in this environment of AI and information technology.

Beyond the printing press, technology also had a major impact on me during the time I was growing up in the 1950's and 1960's. I remember the very first window air conditioner that my dad inserted in a window in the living room of our house. It was a miracle! The inside of the house now felt cool. I remember our very first garbage disposal installed in the kitchen sink. No more piles of food in a sack under the kitchen sink! I saw the end of the clothes line as clothes dryers invaded the basement of every home. It was suggested by many adults that the TV would alter the mental state of young people who would now spend all their time sitting and mindlessly staring at this electronic picture! This concern has arisen again with all the electronic computer devices available for kids today. The transistor radio drove adults crazy as kids held the device anywhere and listened to rock music. It was the transistor radio that became the main driver of rock and roll music. It allowed kids to listen to what they wanted to listen to, and not have to put up with their parents' Philco console radio that played classical and big band music. A very entertaining TV musical production occurred every Sunday on the Ed Sullivan Show. At the end of every show, a rock and roll band was introduced and performed a song on TV. I remember watching this every Sunday. When the band started playing, the camera fanned the audience and showed hundreds of teenagers screaming and yelling. Check out the YouTube below which shows short clips of various rock and roll bands from the 60's performing on the Ed Sullivan Show. Very funny. I love Jerry Lee Lewis playing the piano with his foot. The clothes worn by The Mamas & The Papas are a classic! The picture quality is not very good so don't put it in full screen, but you can still get a feel for rock music on the Ed Sullivan Show which was watched by all young people and discussed at school on Monday!

<https://www.youtube.com/watch?v=K69NEsesUGM>

The Rand Corporation published a paper about the printing press and comparing this historical technological change to the internet in 1998. The study, by James Dewar, focused on several developments that experts were seeing in the internet such as spam, viruses and trolls, and the article suggests there is a dark side to the internet. Dewar made an interesting distinction, though, between technologies such as knives and microwave ovens, whose intended consequences far outweighed the unintended ones, and technologies such as cars and air conditioners, whose unintended consequences dwarf the intended ones. The study's main message was that the internet may generate many unforeseeable and uncontrollable outcomes in the same way that the printing press changed the world in the 15th Century.²

Now, many of us work remotely. We communicate with each other electronically, not socially, in person, and shake each others' hand. We have a September Saturday and no Cornhusker football in downtown Lincoln. No tailgate parties, and Barry's Bar and Grill at 9th and P Street is almost empty. A few weeks ago I was in Omaha and after I finished my meeting I decided to drive through downtown. I drove down Dodge Street past the Mutual of Omaha headquarters. The parking lot was mostly empty. It was just so strange. I saw the Mutual of Omaha Dome and it reminded me of occasional evening social gatherings under the Dome with various insurance professionals associated with the Nebraska Insurance Federation. All of the men in a coat and

²Cullen Murphy, "Before Zuckerberg, Gutenberg," The Atlantic (January/February 2020)

tie. No casual attire at insurance functions. Very little of this social interaction takes place now. I drove through the Old Market which is usually packed with shoppers and dining customers. Not much going on this time. The Embassy Suites parking lot was pretty empty. And so now, as we plod along day to day, what will be the long-term consequences of this pandemic intertwined with modern technology including AI?

It all represents a duality of life. One the one hand, we are taught to try hard, control our own destiny and succeed, but on the other hand, there is much of life that is random and we have no control over it. The pandemic is an example. Yes, we all need to try, but recognizing that some of our success might be due to random events can engender a sense of gratitude for what we have. There is a certain amount of the day-to-day activity of human beings within the parameters of organized society that has developed with no particular logical, planned process. It just happens. "It's just the way we've always done it."

THE CALF PATH

One day through the primeval wood
A calf walked home as good calves should;
But made a trail all bent askew,
A crooked path as all calves do . . .

The trail was taken up next day
By a lone dog that passed that way;
And then a wise bellweather sheep
Pursued the trail o'er vale and steep,
And drew the flock behind him, too,
As good bellweathers always do,
And from that day, o'er hill and glade,
Through those old woods a path was made.

And many men wound in and out,
And dodged and turned and bent about,
And uttered words of righteous wrath
Because 'twas such a crooked path . . .

The forest path became a lane
That bent and turned and turned again;
This crooked lane became a road,
Where many a poor horse with his load
Toiled on beneath the burning sun,
And traveled some three miles in one. . .

The years passed on in swiftness fleet,
The road became a village street;
And this, before men were aware,
A city's crowded thoroughfare.

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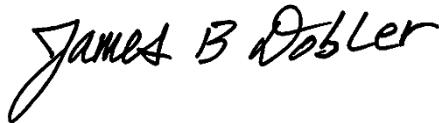
Each day a hundred thousand rout
Followed this Zigzag calf about
And o'er his crooked journey went
The traffic of a continent.

A hundred thousand men were led
By one calf near three centuries dead.
They followed still his crooked way
And lost one hundred years a day;
For thus such reverence is lent
To well established precedent.

. . . For men are prone to go it blind
Along the calf-path of the mind,
And work away from sun to sun
To do what other men have done.
They follow in the beaten track,
And out and in, and forth and back,
And still their devious course pursue,
To keep the path that others do.

They keep the path a sacred groove
Along which all their lives they move;
But how the wise old wood-gods laugh
Who saw the first primeval calf.

Sam Walter Foss



Jim Dobler, CPCU

PIA Legislative Coordinator

Questions or Comments? Please email jbdobler@outlook.com

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