atom ADVANTAGE

AI Accountability Is Now a Board-Level Operating Issue

A strategic guide to governing AI as an enterprise risk and scaling it with confidence.

TEST ONE DECISION

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EVIDENCE	CONTROL	OVERSIGHT	RISK
Proof and traceability	Performance and value	Authority and ownership	Exception and escalation

FROM ATOM LEADERSHIP

Why we wrote this guide



Carol Valentic

FOUNDER
& CEO

For decades, I have watched experienced professionals make consequential decisions from information that is fragmented, difficult to find or harder to trust than it should be.

AI can improve that. It can bring important information forward, reduce manual effort, and help people work faster. But its value ultimately depends on whether the people responsible for the decision can trust what they see, challenge it when necessary, and remain in control.

That is why accountability matters. Good technology should strengthen human judgment, not obscure it.



Avinash Boodoosingh

PRESIDENT
& COO

The AI conversation has changed.

For the past few years, the market focused on what AI could do. Boards are now facing a harder question: can the organization demonstrate how AI influenced the decision—and who remained accountable?

That means knowing where information originated, how performance was validated, where human authority entered the process, what changed over time, and whether a material decision can be reconstructed when someone asks.

As AI becomes part of critical operating workflows, accountability cannot be added after deployment. It has to be designed into the operating model.

AI does not transfer accountability away from the organization. It makes the ability to demonstrate it more important.

This guide was created to assist boards and leadership teams in maintaining AI accountability as it becomes embedded in key operations that influence performance, risk, and trust.

01

PART ONE

Why this is now a board issue

As AI becomes embedded in critical operations, leadership must govern more than its performance. It must govern how AI influences decisions, who has authority to intervene, and what evidence remains when those decisions are challenged.

The board oversees the risk appetite and accountability arrangements. Management is responsible for putting them into practice.

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Why accountability must come before scale

THE DEFINITION USED IN THIS GUIDE

Accountable AI means the organization can demonstrate what an AI-supported workflow is intended to do, how it performs, who can intervene, what changed, and who remains responsible for its outcomes.

In workers' compensation, property and casualty insurance, and healthcare, AI can help teams find information, reduce manual work and support consequential decisions. The challenge is to gain those benefits without losing the ability to understand, challenge and control the process.

THE BOARD'S ROLE	Oversee the organization's risk appetite, accountability arrangements and assurance for material AI use.
MANAGEMENT'S RESPONSIBILITY	Define the intended outcome, validate performance, implement controls and assign responsibility for the workflow and its results.
THE OPERATING REQUIREMENT	Apply controls in proportion to the potential harm, scale and reversibility of each use case. Establish the necessary evidence, review and escalation arrangements before wider deployment.

BOARD QUESTION

Can management reconstruct a disputed AI-supported decision from the records preserved—and show who had authority to act?

The ability to deploy AI is not the same as the ability to govern it.

AI exposure now spans the enterprise.

When AI influences a material decision, the consequences do not stay within the technology function.

Leadership needs visibility into what could fail, who could be affected, how the organization would respond, and whether it could explain the decision afterward.

01	**REGULATORY**	Insufficient governance, testing or documentation can leave the organization unable to demonstrate compliance.
02	**LEGAL**	Disputed decisions require evidence of the information, controls and human actions that shaped the outcome.
03	**OPERATIONAL**	Errors and uncontrolled changes can spread across workflows before their effects are recognized.
04	**FINANCIAL**	Rework, remediation, uncontrolled cost and supplier dependency can erode the expected return.
05	**REPUTATIONAL**	Decisions that people cannot understand or meaningfully challenge can undermine trust.
06	**THIRD-PARTY**	Using a vendor does not remove the organization's responsibility to govern its own decisions.

When a material decision is challenged, accountability must be demonstrated with evidence.

REGULATORY MOMENTUM	The NAIC's model bulletin sets expectations for insurers' AI governance and documentation, including AI used on their behalf. AI-supported consumer decisions remain subject to applicable insurance laws.

Source: NAIC, *Model Bulletin: Use of Artificial Intelligence Systems by Insurers*, December 2023. Implementation and supervisory expectations vary by state.

A pilot tests the technology. Production tests the operating model.

A pilot can demonstrate capability. Production must sustain performance, control and value as volume, variation and consequences increase.

PILOT	PRODUCTION
Bounded scope and selected cases	**Real-world volume, variation and exceptions**
Limited users and handoffs	**Multiple teams, systems and decision rights**
Closely supervised outputs	**Defined review, escalation and safe fallback**
Workarounds supported by the project team	**Repeatable controls supported by operating teams**
Initial evidence of capability	**Sustained evidence of performance and business value**

WHAT THIS MEANS

Before expanding a successful pilot, management should demonstrate that the workflow can maintain acceptable performance, preserve evidence, handle exceptions and remain under accountable human authority.

Scale compounds both value and weakness.

02

PART TWO

The accountability model

Accountability cannot be added after deployment. It must be built into decision rights, operating controls and the evidence the workflow preserves as work happens.

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The accountability loop 10

The evidence record 11

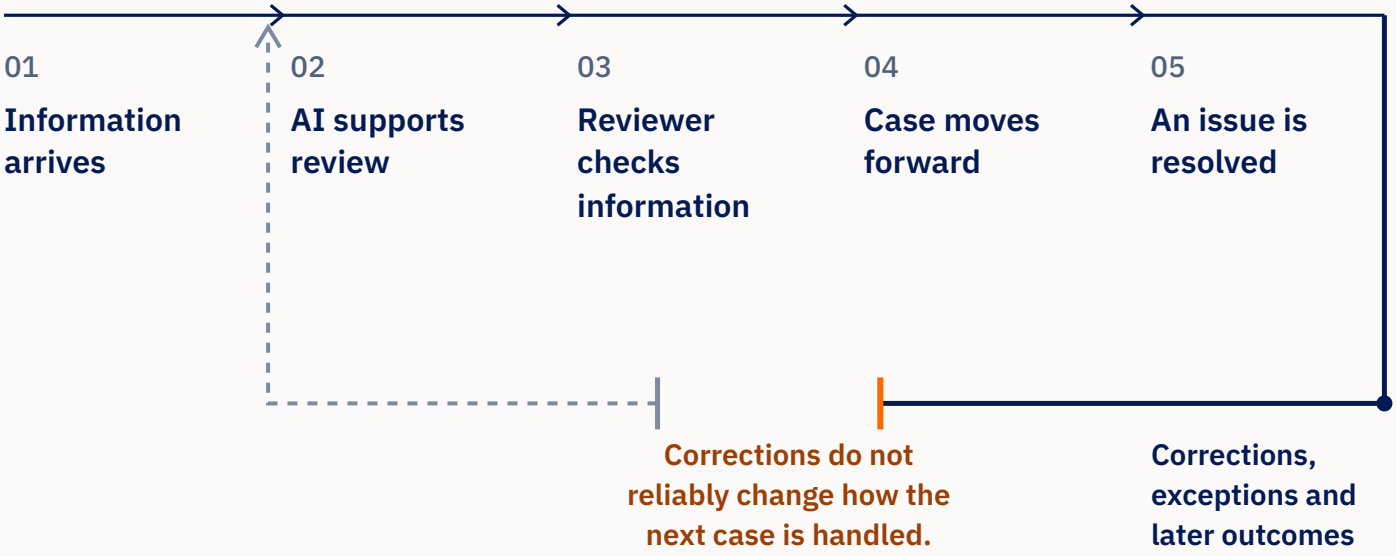
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The case is resolved. **The same problem can return.**

A complex claim or authorization request arrives with records from multiple sources. AI supports the review, but accountability depends on what happens around the output and after the decision.

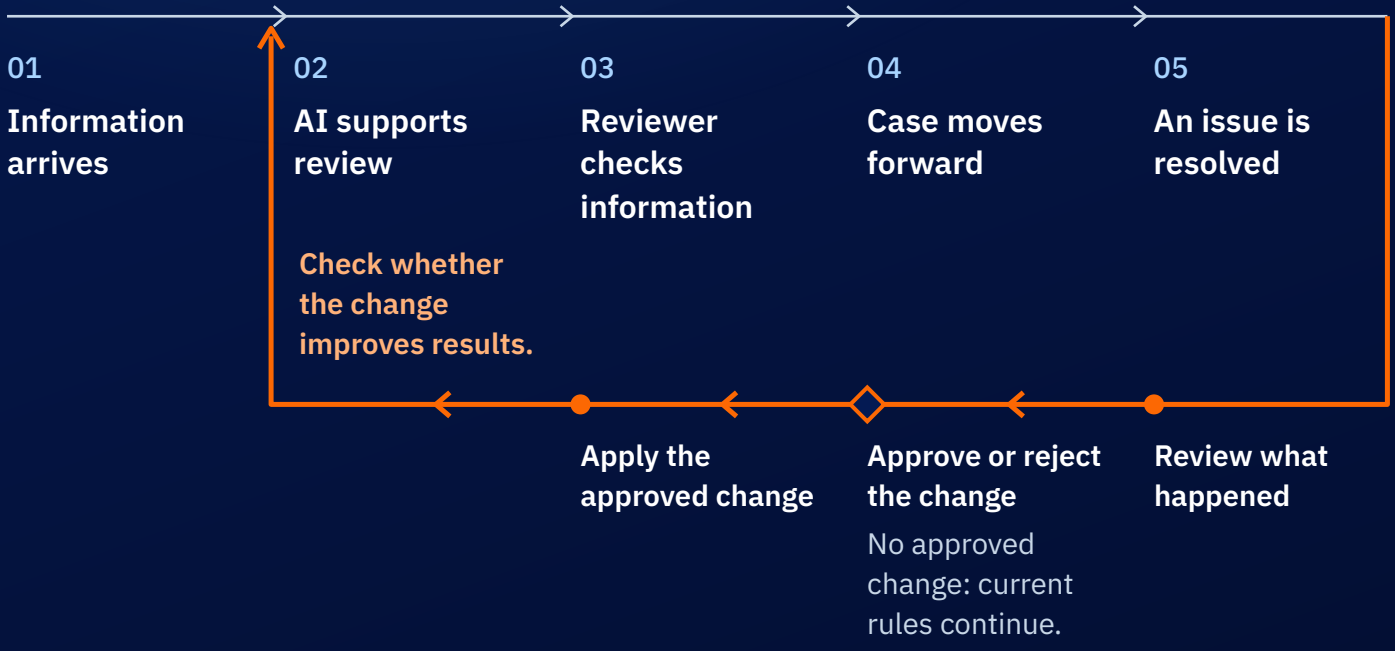


The reviewer accepts, corrects or escalates the AI-supported information. The case proceeds, and an exception, complaint or unexpected outcome may emerge later. The team resolves the individual issue.

Resolving the individual issue does not necessarily prevent it recurring. The same problem can bring further investigation, rework and delay.

Resolve the case.
Improve how future cases are handled.

Corrections, exceptions and later outcomes are reviewed. An accountable owner approves or rejects proposed changes. Only approved changes are put into use.



The operating blueprint

The agreed rules for how the work runs and how changes are approved.

Purpose and ownership	Before work begins, agree the intended outcome, baseline and accountable owner.
Rules and evidence	Define the checks, review thresholds, escalation points and evidence to retain.
Review and change	Review performance and later outcomes. Put only approved changes into use and check their effect.

The system does not rewrite its own rules.

People review the evidence, approve changes and check their effect.

Keep the evidence behind the decision.

To review a result or approve a change, your organization needs to reconstruct what happened. The evidence record should connect the source information, the rules applied, AI processing, human review and the final action.

01

Source documents

Identify the source documents and relevant versions used.

02

Information prepared for review

Keep the information prepared for review linked to the documents it came from.

03

Rules and controls

Record the rules, thresholds and approval permissions governing how information is processed, reviewed and used.

04

AI processing and routing

Record what the AI produced, the system configuration used and where the output was sent.

05

Human review and exceptions

Record who reviewed the information, what they accepted, corrected or escalated, and their reasons.

06

Final action

Record the action taken, who was responsible, when it happened and any subsequent correction.

Preserve records under defined retention, access, security and legal-hold policies.

WHAT THIS MEANS

If a decision cannot be reconstructed from preserved records, the organization may be unable to defend how it was reached.

The six governance domains of accountable AI

Two anchors establish direction and authority. Four operating disciplines keep the operation accountable.

TWO ORGANIZATIONAL ANCHORS

01 Business Value

The intended outcome and agreed baseline.

04 Human Authority

People with the expertise and authority to challenge or overrule.

FOUR OPERATING DISCIPLINES

02 Accuracy

Validated performance for the intended task, operating conditions and affected populations, with known limitations.

03 Proof

Evidence that allows a decision to be reconstructed and defended.

05 Stability

Control of exceptions, change, cost and behavior at scale.

06 Ownership

Intelligence and operational value the organization owns and retains.

Business Value and Human Authority define what the work is for and who decides. The four operating disciplines keep the operation accountable to both.

Across all six domains, apply the privacy, security, fairness and legal requirements relevant to the use case.

The six-domain accountability model is ATOM Advantage's practical framework for leadership oversight. It complements—not replaces—applicable law, sector requirements and established risk-management frameworks.

Four questions govern every material AI use case.

RISK
EXPOSURE

What could materially fail, who could be harmed, and what would the consequences be for the organization?

CONTROL
PREVENTION

Can the workflow stop, escalate or route when evidence is insufficient?

EVIDENCE
PROOF

Can the organization reconstruct where a material AI output came from?

OWNER
ACCOUNTABILITY

Who remains accountable for the business outcome when the control does not hold?

Answered together, these four questions describe how a single use case is governed. Unanswered, they describe where accountability will fail.

Accountability protects value as AI deployment scales.

For workers' compensation, property and casualty insurance, and healthcare organizations, accountable AI can support faster scaling while protecting the decisions, knowledge and control the business depends on. Treat the outcomes below as intended results to measure against the agreed baseline.

01

SCALE WITH CONFIDENCE

Expand successful use cases because performance, evidence and authority are defined.

02

PROTECT MARGIN

Reduce rework, disputes, remediation and uncontrolled cost.

03

STRENGTHEN RESILIENCE

Detect deterioration earlier and maintain continuity when tools or conditions change.

04

PRESERVE STRATEGIC FREEDOM

Retain portable information, decision history and operating knowledge as suppliers and circumstances evolve.

Whether AI supports claims, underwriting, member and provider operations, document-intensive workflows or customer service, accountability determines whether value remains governable at scale.

Accountability is both a control discipline and an operating advantage.

03

PART THREE

What the board does next

The remaining pages are working material: the questions to ask, the signals to watch and the cadence that keeps AI governable after approval.

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Management should be able to answer these questions at every stage.

01 BUSINESS VALUE

What outcome must improve, against what baseline, and who owns it?

02 ACCURACY

What performance is required, how is it tested independently of development, and where is the system not approved for use?

03 PROOF

Can a material decision be reconstructed from source through review, intervention and final outcome?

04 HUMAN AUTHORITY

Who is accountable, and which function retains the expertise to challenge or overrule the system?

05 STABILITY

How are exceptions, incidents, change and cost controlled at scale?

06 OWNERSHIP

What will the organization own, retain and be able to continue using?

BEFORE APPROVAL

Management should resolve any material unanswered question before wider deployment.

IN PRODUCTION NOW

An unanswered question is a governance gap. Assign an owner, define the corrective action and set a review date.

BOARD QUESTION

Which of these six questions can management not yet answer for our highest-risk material AI use case?

Human authority must work in practice.

AI may inform the decision.
People must retain the authority to make it.

Authority 01

Who can stop, overrule or escalate the system?

Expertise 02

Who is qualified to recognize when the output is weak, incomplete or wrong?

Evidence 03

What information can reviewers inspect before making the decision?

Escalation 04

What triggers escalation, who receives it, and who can pause the workflow or authorize a safe fallback?

Reviewers need sufficient time, information and organizational support to challenge the output—not simply responsibility for signing it off.

Human judgment requires more than an expert in the loop. It requires the authority, evidence and traceability to act, explain and defend the decision.

Operational intelligence should remain an organizational asset.

The organization should retain the rights, access and practical ability to use and export its operational records and agreed outputs, subject to privacy, retention and third-party intellectual-property obligations.

01

Usable information

Structured, current and ready for the next decision.

02

Decision & review history

What was decided, what was corrected and by whom.

03

Governance evidence

Records that support examination, audit and legal defense.

04

Operational knowledge

The operating rules, configurations and working practices established by the organization.

ORGANIZATIONAL ASSET

Owned, portable and usable as suppliers, tools and circumstances change.

What the board should see after deployment

DOMAIN	BOARD SIGNAL	ESCALATE WHEN
Business Value	Results against the agreed baseline	– **Value materially misses expectations**
Accuracy	Performance and material deterioration	– **Quality falls outside the approved range**
Proof	Evidence completeness and reconstructability	– **A material decision cannot be reconstructed**
Human Authority	Overrides, escalations and reviewer capacity	– **Expertise or authority is insufficient**
Stability	Incidents, complaints, change and cost	– **Agreed thresholds are breached**
Ownership	Assets retained, portability and dependency	– **Exit readiness or organizational control weakens**

Report each signal with its reporting period, trend, named owner and outstanding corrective actions.

BOARD QUESTION

When did this board last receive a report against each of these six signals?

Every material AI use case needs a named owner, a reporting cadence and an agreed escalation threshold.

For the highest-risk use cases, the board should also receive assurance that reported performance and control effectiveness have been challenged independently of the delivery team.

From approval to operating discipline

The board sets oversight expectations. Management implements and operates the controls. Risk, compliance and internal audit provide challenge and assurance within their respective mandates.

01 Classify

Maintain an inventory of AI use cases, including AI embedded in third-party software. Identify which are material and classify them by value, potential harm, regulatory exposure and required human authority.

02 Assign

Name the accountable executive and establish decision rights, evidence requirements, reporting cadence and escalation thresholds.

03 Monitor

Review value, performance, exceptions, incidents, material changes, organizational capability and third-party dependency.

A material change to the use case, model, rules, supplier or regulatory environment should trigger reassessment.

While a material concern is investigated, management should decide whether to pause the workflow, roll back the change or move to a defined safe fallback.

THE VENDOR BOUNDARY

Outsourcing technology does not outsource accountability. Management must be able to obtain the evidence needed to govern both the supplier and the workflow. Before commitment, confirm contractual provisions for:

- Access to evidence and validation information
- Incident cooperation and regulatory support
- Export, transition and continuity
- Notification of material changes
- Data use, retention and deletion

CLOSING PERSPECTIVE

Put accountability to work.

AI should help the organization move faster without weakening its ability to understand decisions, challenge outputs or retain control.

The next step is to test one material decision against these principles.

FROM PRINCIPLE TO PRACTICE

Put one decision to the test

Choose a material decision your operation made this year. Could you show today where its facts came from, who checked them, and who had authority to act?

If the answer depends on people remembering, the evidence is not there. Talk to ATOM about what that record should hold, and how Record Ranger OS keeps a sealed seven-year record behind every result.

THREE QUESTIONS TO ASK

- What was the decision based on?
- Who reviewed it, and when?
- Could you prove it to a regulator tomorrow?

Or pass this page to the executive accountable for that decision.

atomadvantage.ai/contact-us

TEST ONE DECISION