BOARD TEMPLATE · BENEFIT FUNDS

Six fiduciary questions and a board resolution

A fiduciary does not need to understand the model. A fiduciary needs a record showing the questions were asked and answered. Record the answers in the minutes.

Six questions for the minutes

#	QUESTION	ANSWER RECORDED
1	**What data does this touch, and does any of it name a participant? If it does, where is it processed and who can see it?**	
2	**Does it inform a decision about a person: eligibility, a claim, a benefit amount, an appeal? If yes, who reviews, and how is that review recorded?**	
3	**What does the vendor contract say about training, retention, subprocessors and exit? Has counsel read it?**	
4	**What will a participant be told, and what will they be told when the answer is no?**	
5	**What does it cost over three years, including the part that scales with use, and what happens if we stop?**	
6	**Who on staff owns it, who reports to the board on it, and how often?**	

HEALTH PLANS

For a health and welfare fund, add HIPAA to the list. If the tool touches protected health information, the vendor is a business associate and has to sign as one. Meeting-notes bots, claims-summary tools and participant chat assistants are where we most often find PHI moving without anyone having asked.

A resolution you can adopt

RESOLVED, that the Board of Trustees of the ______________________ (the “Fund”) adopts the following policy on the use of artificial intelligence:

1. No AI tool shall be used with participant data, or to inform any decision about a participant, until the six questions above are answered in writing and reviewed by the Board.
2. Fund counsel shall review any vendor agreement for training on Fund data, retention, subprocessors, business-associate status where applicable, incident notification and exit, before execution.
3. A person shall review and approve any AI-informed determination about eligibility, a claim, a benefit amount or an appeal, and the review shall be recorded.
4. Participants shall receive plain-language notice when AI is used in a matter affecting them, and an explanation and a path to human review when a determination is adverse.
5. The Administrator shall designate a named owner for each tool, who shall report to the Board on use, cost and incidents at least annually.
6. This policy shall be reviewed annually and upon any material change in applicable law.

Adopted: ______________________ Chair: ______________________

General information, not legal advice. Fund counsel should adapt this resolution to your plan documents and governing law.