

Confirmation Testimony before the Senate Banking & Insurance Committee

Michael F. Consedine Acting Commissioner

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Acting Commissioner Michael F. Consedine Pennsylvania Insurance Department Before the Senate Banking & Insurance Committee Wednesday, March 9, 2011

Chairman White, Chairman Stack and members of the Committee, I feel both honored and humbled to appear before you today seeking confirmation to become Pennsylvania's next Insurance Commissioner. I thank you for this very unique and important opportunity. I am also exceedingly grateful to Governor Corbett for his leadership, trust and support.

If I am confirmed, I know this will be the hardest, most challenging job I will ever have. But I also know it will be the work I will relish the most, and I intend to bring all of myself and my abilities to the tasks and days ahead.

I started my legal career in public service – in fact, at the Insurance Department as a member of the Office of Chief Counsel. During that time – even at that level – I understood the wide-ranging power and effect of the actions taken by the state insurance regulators. The Insurance Department has the ability to impact consumers, companies and the industry on a statewide – and in some cases – national level. While at the Department, I worked directly with two accomplished and dedicated Insurance Commissioners – Linda Kaiser and Diane Koken – and learned valuable lessons from both.

Following my time with the Department, I went on to serve in private practice here in Harrisburg with the law firm of Saul Ewing. While there I had the honor of being mentored by another great former Commissioner, Connie Foster. My practice focused on representing insurers, producers, and consumers on insurance regulatory and corporate issues. In fact, my first client was a group of Catholic nuns whose auto insurance program had been canceled – apparently elderly nuns are not the best drivers in the world. Fortunately for the Sisters, they found good counsel and more importantly the insurance company was represented by an attorney who was the product of a Catholic education and I think feared for her immortal soul in this particular case. Needless to say the insurance was restored.

It was also in those early days of my legal career that I became a runner. It gave me a way to get out of the office and let my mind deal with the issues of the day in a more free-form way. I do my best thinking and creating out on the running trail. Other qualities running requires are focus and discipline and that, I learned is what public service takes most of all – focus, discipline and a determination to go on – no matter how challenging the terrain ahead.

I do not generally participate in races; however, I can appreciate that a marathon runner's decision-making skills must be extremely well-honed. In a race, a marathoner is always making decisions – about the course, the turns, the pace, the strategy – how to continue, yes – but also, how to win.

Admittedly there is a marathon ahead. The Insurance Department will be responsive to our state's fiscal realities, as well as the needs of companies and consumers. To understand the business of insurance, one must understand business cycles and the fact that proper planning can get us through turbulent or uncertain times.

Our Department is foremost a regulator of the insurance industry and my intention is to work with all of you to focus our time and energies on our core role. Our approach will be consistent, effective regulation. Also, consistent with Governor Corbett's policies for job growth, we are going to do everything in our power to make Pennsylvania a state where insurance companies want to do business, especially a place where they want to create insurance jobs. At the same time, we're going to continue to ensure that consumers are protected and have a choice of insurance products in a vibrant and competitive marketplace.

Healthcare will be a major focus for this Administration and the Insurance Department. As it currently stands, the federal health care reform law is being challenged in the court system. It is our collective pursuit to have clarity regarding the law. However, in the interim, we will continue to study the programs included in the law that will most benefit Pennsylvania and its citizens. We will seek solutions that work for Pennsylvania, including those that are fiscally prudent and that make health coverage more affordable. Also, the Administration has tasked the Insurance Department as the lead agency to study implementation of a health insurance exchange. We look forward to working with you and interested stakeholders to enhance our health insurance marketplace and to make it a model for the rest of the country.

We must not forget, however, that there is a big world of insurance outside of health insurance that has long been an important part of the fabric of Pennsylvania's business community. We intend to take affirmative steps to improve all lines of insurance to ensure that Pennsylvanians have access to the best and most up-to-date insurance products and that our insurance regulatory system is similarly modernized and efficient.

For my part, I intend to hold all our efforts to 3 basic tenets:

First ~ to be as *strategic* as possible

I will focus the Departments talents and resources on our core functions and abilities.

Second ~ to be as *collaborative* as possible

The best decisions are made after considering all relevant viewpoints.

And last – but not least, to work as *smart* as possible.

Our resources are finite – we cannot be all things to all people but we will be the best at what we do.

In closing, let me share that I believe strongly that there is challenging but exciting work ahead for the business of state government, as well as the business of insurance. It will take time and committed effort. And I promise that I will work with you as we continue this marathon together.

Again, I thank you for the opportunity to appear before you today and I am happy to respond to any questions you might have.