

S3 E1_ Commissioner Mais Podcast Transcript

Commissioner Andrew Mais [00:00:03] And if there is one trait that I think has helped me become successful, it's my curiosity and I have listened.

Mike Consedine [00:00:18] Welcome to The Regulators podcast, where we break down important issues facing consumers, state insurance regulators and the industry as a whole. In 2021, we are celebrating 150 years of serving state insurance regulators across the U.S. and the consumers and markets they serve. So, this year our podcast listeners will be part of our celebrations as we look to our past, present and future. I'm your host, Mike Consedine, CEO of the NAIC, and we're glad you all are joining us here today. So, it's a new year at the NAIC and we are ringing it in with a new set of officers.

[00:00:55] My guest today is no stranger to this podcast as he hosted a special edition of The Regulators Season two, Episode seven on Race and Insurance. It's a powerful podcast, and I encourage you to listen to that episode.

[00:01:08] If you haven't taken the opportunity already, I will note he almost also put me out of a job as a podcast host with his deep, melodious voice.

[00:01:18] Andrew Mais, who is our guest, was nominated as Connecticut's 33rd insurance commissioner back in 2019. And effective January 1st of this year, he became an NAIC officer. So, joining me today in his official capacity as both commissioner and NAIC Secretary-Treasurer is Commissioner Andrew Mais. Andy, congratulations on your new appointment. Happy New Year and welcome back.

Commissioner Andrew Mais [00:01:43] Thank you, Mike. Happy New Year to you and thanks for those kind words. However, I do have to tell you, there is no way I could replace you. You're the best.

Mike Consedine [00:01:54] You are too kind. So, Commissioner, you have a really interesting and impressive background.

[00:02:08] And for listeners who are unaware, your experience covers TV broadcasting, finance and insurance, among other positions.

[00:02:17] So apart from having a literal voice made for TV, maybe talk a little bit about how your career experiences have contributed to your success as a commissioner in Connecticut, which, as we all know, is the insurance capital of the world, given its very significant P and C presence.

Commissioner Andrew Mais [00:02:36] Again, thank you for being so kind, Mike. Not mentioning, but I also have a face for radio, but. I'm going to tell you probably the best single, and this is not career advice, but it was a piece of advice that served me so well during my career, came from my daughter and my daughter, the princess. This is back when she was a young teenager, and she was complaining about something or other. And as her father, I was telling her how to fix it. And she told me, Dad, "shut up and listen" for some reason that made a huge impression on me. And it's an impression that's lasted to this day. Shut up and listen. While I'm talking, I'm not learning anything. And if there is one trait that I think has helped me become successful, it's my curiosity. And I have listened. I have listened through all my careers. And certainly, back at my first stint as a regulator, some of what I heard was inspiring. Some of what I heard was saddening and disturbing.

But it did drive me to know that I can make a change and that by listening and working with and through others together, we can actually make a difference. And that's important to me.

Mike Consedine [00:04:03] I love that story. And it's such an important point and characteristic to have as a regulator or really in any position. And there are a lot of roles that I think state insurance regulators fill.

[00:04:16] But I think one or that one of the most underappreciated I see this in our membership, and I've seen it with you is that of storyteller. And, you know, your ability to tell the stories of the people you serve, tell the stories of your market, tell the stories of our state-based insurance system to international audience. And to be an effective storyteller, you've got to be a very good listener.

[00:04:38] So your daughter gave you a very good advice commissioner.

Commissioner Andrew Mais [00:04:42] I will let her know.

Mike Consedine [00:04:43] Having that voice made for TV that before your time at Deloitte, which is where you and I got to know each other.

[00:04:51] So many moons ago you served with the New York Department of Insurance during the 2008 financial crisis, which of course, for all of us is one of those huge, significant mile markers when we talk about lessons learned and subsequent reforms to our insurance and financial services system. So, given that experience, I'm really interested. What lessons can we learn from that economic downturn as we deal with, you know, the current pandemic and its corresponding economic implications?

Commissioner Andrew Mais [00:05:25] Back then I still remember, as you know, we started off with a major insurance company that could possibly go under primarily or almost completely because of its non-insurance business. And this was about a week after Lehman Brothers went under and getting together and working with state regulators. And there were a number of state regulators involved. And later, the federal government trying to come up with a solution. And it was fascinating to see the speed with which regulation can work. I know part of a concern with state regulation is always that it's inefficient. But as I think we saw during the last election, as we see here, certainly as we saw during the crisis, when we need to come together, we come together and get things done.

[00:06:13] And the diversity of state insurance regulation is part of what enables that. But if there's one lesson I would take away from the crisis is that we will live through it. Last time it was there were days, and this was new to so many of us and so many of us had never lived through a situation like this. And there were days when you get up and look at your BlackBerry and wonder what was going on. But we got through it, we got stronger and we will do the same thing here.

Mike Consedine [00:06:42] Such a good point. I think we forget that crisis, you know, literally lasted for years as well. And, you know, and again, it tested a lot of our assumptions in terms of, you know, companies, in terms of our markets. We did live through it. We learned from it. We applied those lessons and we certainly had a state-based level. And our system is better for it. I guess maybe a follow up, though, we're hopefully almost through the current pandemic. And a big part of I think what will happen once the dust starts to settle is, you know, again, searching for those lessons learned that

come from this crisis. And I know, you know, we've talked about it a membership and many of our members are already starting to live those lessons learned in terms of, yes, we can do a lot more virtually. No, we don't need to do some of our touch sensitive operational stuff in the same way. Maybe we should look at the importance of where gaps and coverages might be. But are there lessons learned already that you kind of. Made a mental note of that you think will come to fore as we move further into the recovery mode here.

Commissioner Andrew Mais [00:07:49] One message that I would take from 2008 and that I think we will relearn here is to always challenge your assumptions. You know, one of the good things about what happened in 08 is that the NAIC and state regulators undertook, or they had already started by the Solvency Modernization Initiative. They recognized the importance of that as an industry. And as we look at what's happening now, I'll tell you at the start of this and Mike, you were there in Basel when this was really early, and they had the first cases. And I do know that back in the U.S. at the time, we were, at an IAIS meeting, back in the U.S. at the time, the thought was there really nothing to worry about.

I remember calling back home and telling my staff, let's prepare options. And we started by looking at the [ORSA \(Own Risk and Solvency Assessment\)](#) because the ORSA had had information from companies preparing one of the items that they usually look at as what would happen if we had a pandemic similar to the 1918 flu. So that the idea that we examine our assumptions, and we start to prepare is one that we certainly learned in '08 and that came to fruition here. And that's a great thing for state regulation. Going forward that examining assumptions, again, as we look at commercial real estate for instance, what's going to happen? How are things going to change? But I think internally and as an industry, we've also learned to adapt a certain flexibility that may have been missing before we do.

This is an industry that's been around forever and we're a bedrock industry. We don't want to rock the boat to a certain extent. We want to make sure that everything works. And one way to make sure everything works is to rely on what's worked before. We've been forced to change regulators and industry. And you know what? We did a great job. I know certainly in my own department, almost overnight, we went from being from everybody being in the office to working remotely. And it worked, you know, flexibility just in terms of being able to notarize stuff over the Internet, all of that, and we've seen the same thing with insurance companies. We've seen the flexibility that I think provides for a mindset of innovation as we look ahead to what we need to deal with as the world continues to change. And I think there'll be a great lesson from what's happened this year.

Mike Consedine [00:10:19] Absolutely agree. And there are so many things that we can't do this mentality and we figured out ways to do that. So interesting, you reference that meeting in Basel, which again, seems like a lifetime ago.

[00:10:31] But I distinctly remember sitting there hearing the reports from our colleagues and from China and Japan and Hong Kong who were literally on the front lines at that point. And again, I think it's a testament to some of those lessons learned in 2008 that we were having those conversations as an international community. And there was an openness and transparency that led me as well to start quickly firing off some emails back to the states that, you know, allowed us to start to ramp up in those preparations. But it was it was, it seems like, so long ago. But we're still living those lessons learned even today. And I guess maybe on a related note, in terms of some of the proactive postures

that states took early in this pandemic, Connecticut was right up there in terms of taking actions to protect its consumers and getting access to Covid testing and treatment.

[00:11:26] And I know one of the big areas that, again, we've seen some development come out of this that I have a feeling will be there for the long term was around telemedicine, telehealth, more access, virtual access to providers. And you guys were, again, sort of leaders in that area addressing the importance of telehealth in a pandemic environment. Maybe talk a little bit about sort of your experience there and where you see it going even post pandemic and how it's really made a difference for the consumers in your state.

Commissioner Andrew Mais [00:11:57] I got to say, give kudos to the insurance companies because they worked with us, you know, as we went through as we saw what was happening, as the scope began to become apparent, we would reach out to the companies and we would say this is what we need. You know, sooner or later we'll have an executive order prepared. But we need you to do this or this or this. We need you to not cancel. Yeah, there's got to be some kind of commitment to not cancel premiums as this becomes an economic crisis. We need you to allow people who are driving for restaurants, incidentally, just because the restaurants are open and but everything else is closed and they can't have people coming in. You know, let's have let's give them some coverage. Let's waive the usual restrictions. Those are just some of the things that insurers did.

And telehealth was one of them. And we had a number of discussions, again, going back to Basel. That was one of the lessons learned and the Chinese experience. They had said they had done an awful lot in telehealth. So, we wanted to make sure that was ramped up. And as I'm sure most insurance people know, insurers would have been happy to see telehealth ramp up under ordinary circumstances. Providers had some concerns because of the way they were reimbursed by it. So, what we did, and I think pretty much the whole country did. We had parity and reimbursement and we removed some of the barriers to telehealth that existed because, you know, my mother, who is 92, was well, then she was 91. But she is she was not going to go into the doctor's office to get a checkup, but she did need to see the doctor. And she is not really good at using an iPad or a laptop. Yeah, she's good with using the phone. So, let's make sure that the barriers that were there, the barriers that said these are the restrictions, those barriers would disappear at least during the course of the pandemic.

So, you know, the providers were able, where necessary, to close their offices. So, there wouldn't be you know, they didn't have to risk exposure, unwarranted exposure. The consumers were able to get to their doctors or if not their doctor, at least some doctor. And the waiving of a co-pays, which pretty much everybody did, made it even more attractive. And we saw a tremendous increase in telehealth usage. Now, what's going to happen going forward? I would expect telehealth to not be at the same level as it was at the height of the pandemic, of course. But there are many people who, now that they've tried it, understand that for certain circumstances it's a great way to go. I've got a doctor in New York who writes me a prescription from when I was working in New York. Great doctor love him. I keep going back to them. The last time I did a telehealth so I didn't have to get on the train and then take the subway and give up half my day. Instead, it was a half hour appointment over the phone. We got it done. These are the positives that we've drawn from a telehealth experience. Now, going forward, we are going to have to see what happens with reimbursement. We're going to see what the future is like for telehealth. I think telehealth is here to stay just as yes, providers and consumers and certainly insurers get a certain level of confidence and confidence and comfort.

[00:15:34] And so, you know, I'm looking forward to the future and it looks positive to me, Mike.

Ray Farmer - Segue [00:15:42] Hello, I'm Ray, Farmer NAIC Past President and Director of the South Carolina Department of Insurance, and this is an NAIC moment in history. In 1871, the first meeting of the National Association of Insurance Commissioners, formally known as the National Convention of Insurance Commissioners, was held in New York. For more on the history of the NAIC and its 150 years in insurance regulation, go to naic.org.

Mike Consedine [00:16:14] As I mentioned at the outset of the podcast, an issue near and dear to your heart, and that was the one you so ably hosted and moderated your own podcast on dealing with race and insurance. So here we are, January of 2021. We're about six months from the launch of the NAIC Special Committee on Race and Insurance Committee. Again, that has had overwhelming participation from our membership. We've got a significant number of workstreams going in terms of looking at important issues. But I think we've also been very careful to say that, you know, this is stage setting for what we all recognize is a longer-term effort to address issues that have been around and prevalent, you know, for quite some time and not something we're going to be able to solve overnight. But as you look at 2021, as you look at the special committee in the work it's done, maybe give your thoughts on sort of where we are and the importance, again, for not only continuing the momentum on the open and honest discussions, but actually starting to move to action in the form you think that action might take.

Commissioner Andrew Mais [00:17:27] First of all, we do have to recognize that the very fact that we are talking about it is important. This is one of our central industries. You know, the insurance is the engine of capitalism. It also historically has not had the best reputation for diversity and equity. Let's face it. And this is not to point fingers or to cast blame, but simply what was -- what do we do? We do have to talk about it. We have to talk about it for a number of reasons. One of the reasons that's, of course, a big the moral arc of the universe. It's got to bend towards justice. We need to make sure that everybody has a job who wants it and everybody who wants a job and insurance can get it. And that actually covers a multitude of things that we need to address going forward. But the other part is that this is insurance. I mean, this is - it's wealth transfer. There is so much that insurance does. And there are far too many people who don't have access to it, whether it's because of affordability or education or simply that tacit discrimination that we've seen over the past, you know, over our past on this country and elsewhere. So, the fact that we can sit together and talk about it and the NAIC, as you know, Mike, 56 people, 56 regulators from a whole bunch of different backgrounds, a whole bunch of different political viewpoints. And we are sitting together. We didn't back away under Director Farmer. We decided that we were going to address it and we will continue under President Altmaier. This is going this is ongoing and this will be ongoing. And that is not, as you mentioned, something that we will be able to change overnight. But the conversation is in itself progress.

And now what we need to do, I think, is to look at what's keeping us from making the progress that we all want to make. And let me go back a little bit here to my older days when I was young and good looking at Deloitte, one of the things we used to do, a CFO forum, and that was to the chief financial officers of the leading insurers who were our clients, would meet quarterly, share information. Just that was just a way to find out what people were thinking and what they were facing. And part of what we did, there was a survey every year we do a survey to see what was on everybody's mind. And I will tell you,

almost without fail and the top five would be talent and diversity. How do we get there? Everybody wanted to get there, and they had no reason to say this. This was not going to be shared with anybody. This was just a survey. So, we can see what people wanted to talk about. And that gives me hope because that means the people at the top are just the same as regulators.

[00:20:28] We want to move forward. We want in our own little way to change the world. And so, and that's what we're doing here. And we've seen open discussion. We've seen very frank discussion in our various work streams. We've seen, you know, there's been some bruised feelings that you would expect.

[00:20:46] This is not an easy topic to discuss, but I'm pleased to see that everybody and by everybody, I mean industry, consumers, stakeholders, regulators, everybody has remained open to this. Now, there are questions that we have to address going forward, foundational questions and insurance, for instance, data as we move towards artificial intelligence and machine learning as a subset of that. What kind of data are we collecting?

[00:21:17] How do we know that consumers are not being discriminated against or that there was not a disparate impact against another group of consumers? You know, we had insurance as opposed to banking or you're required by but by your federal regulators to do that in insurance. We don't... you know, the insurers are not supposed to collect data on race. How do you measure the effect on unless you're collecting that data. And so that's one thing. You look at how products are sold. And I remember another commissioner raising this on one workstream. Where are the offices? If the office is near you, it's not within walking distance or at least close by on the bus. Are they really looking for your business? So, these are foundational questions. And that's going to be, as you said, a long process. But I also want to remind you that it was I'm back in the 1960s, insurance companies were still, until the Civil Rights Act, were still pricing life insurance on the basis of race. We've moved beyond that. And we think that that is just such a crazy idea now. And I think as we look at the data, as we work together 20, 25, 50 years from now, we're going to say we made a change, we're going to look back at the old days when race could factor into decisions and say to ourselves, thank God we addressed it. I'm looking forward to being a part of that process.

Mike Consedine [00:22:42] Commissioner, we're certainly looking forward to being part of that process. Your tenure as an NAIC officer. Thank you. Are so many more questions, Commissioner. I'd love to get into, but it's just a reason to have you back for yet another podcast. We're going to be like SNL (Saturday Night Live), and I have like a five timers club and give you a jacket here if you keep coming back.

[00:23:02] But I'd love to welcome you back and talk a little bit more about some of these issues we didn't get to, including international. Again, thank you for sharing your thoughts. And it's going to be a very special year for all of us as we celebrate our 150th anniversary. So, look forward to keeping the conversation going.

Commissioner Andrew Mais [00:23:19] Thank you for having me here, Mike. And I'm looking forward to answering all those other questions when we get to.

Mike Consedine [00:23:26] Well, before I let you go, though, Commissioner, you have as many times as you posted this podcast you've never been involved in in our little go to gimmick of an experience called Regulator Risk Roulette.

[00:23:43] Which is, you know, a chance for our listeners to get to know our members, perhaps a different side of them. There are six categories Risky Business, Keep it Professional, Childish Things. Very Interesting, Getting Personal, and That's Entertainment. So, Commissioner Andy Mais, are you ready to play?

Commissioner Andrew Mais [00:24:01] Reluctantly, yes.

Mike Consedine [00:24:04] All right. Let me spin the wheel here. All right, well, we ended up with That's Entertainment, and I'm going to go to my list of questions here, and this is an oldie but goodie.

[00:24:23] If you could have lunch, Commissioner, with any famous person, I'll even make it a living and or dead or even fictional., who would it be and why?

Commissioner Andrew Mais [00:24:38] All right, well, I was going to say Mike Consedine, but I figured that would be going a step too far (laughs).

[00:24:43] So, uh, there's so many interesting ideas love to chat with Albert Einstein or... But you know what, Thurgood Marshall and I'll tell you why. He made a huge change in our country and what happened. But it started he didn't start by forcing it. I mean, he worked. He strategized and going up to Brown v. Board, he did so much, laid so much groundwork. It'll be fascinating to hear from him what he thought when he started. Did he really think that change was going to happen? How did he have, how did he keep that hope in and the American dream back when that may not necessarily have been quite so reasonable for somebody with his skin color to have that. So, I think Thurgood Marshall, Justice Marshall would be great to chat with.

Mike Consedine [00:25:39] That is an excellent choice, Commissioner. And as a sort of a Supreme Court justice junkie, I applaud your choice. And I would love to join you for that lunch. Thanks for taking the time, Commissioner. I know it's a busy start to a 2021 that is already seeming to try to top 2020. I hope that's not the case but thank you for taking the time and being with us.

Commissioner Andrew Mais [00:26:01] Thank you, Mike.

Mike Consedine [00:26:03] And thank you all for listening to the regulators join us each month and subscribe to the regulators wherever. Get your podcasts. See you next time.