

THE REGULATORS: Season 5: Episode 3 – One Last Time: Interview with Outgoing NAIC CEO Mike Consedine

(Preview) NAIC CEO Mike Consedine: For every leader, there comes a time when leading actually may require them to step back. ... I got to know more about the team during those months when we were physically separated than I ever did when we were physically together. ... It all goes back to sort of keeping the members connected to each other, connected to data, connected to expertise, and sort of the NAIC right there in the middle as a hub for all of that.

NAIC CEO Mike Consedine: Welcome to *The Regulators*, a podcast where we break down important insurance issues facing consumers, regulators, and the industry. I'm your host, Mike Consedine, soon to be ex-CEO of the NAIC.

NAIC Managing Director of Government Affairs Ethan Sonnichsen: Yeah, that's what I hear. Have you checked your inbox lately?

Consedine: Yeah, there is a rumor on the street. And for those of you who have not figured out, that's Ethan Sonnichsen, the NAIC's Managing Director of Government Affairs. At least for now, until my authority runs out completely. I'm not sure what position he may hold at the end of the day. But we have successfully, up until today, managed to keep Ethan off the podcast for over two years. Although, I think that was probably one of our most well-received podcasts ever, when the two of us completely go off the script, which is likely to happen today. But, finally, today, we're letting you back on—I guess your probation is up for good behavior—for what is gonna be a bit of a unique *Regulators* episode. So, for a little bit of context, we're recording this in early April 2023, and, as our listeners may have heard, I will be stepping down as the NAIC's CEO at the end of the month.

Sonnichsen: Actually, after this. But keep going, Mike.

Consedine: My badge is already ... They're actually cleaning out my office right now, aren't they?

Sonnichsen: Why do you think we're doing this right now? It's to get you out of your space.

Consedine: I was a little slow to pick up on it. But, in terms of my departure, let me say right off the bat that this is a very friendly and positive departing on both sides, which is a rare thing these days. But I'd like to be able to stick the landing in terms of going out on top and leaving a great organization and legacy behind me. But for Ethan, I think I've generally achieved that. I've gone into a little bit more detail about my decision in an [article that you can find on my LinkedIn page](#), where I wrote that “for every leader, there comes a time when leading” actually “may require them to step back so others can step forward.” So, in my case, after spending so much of the last six years on the road and deeply involved in the consuming day-to-day agenda of the domestic and international

insurance regulatory world, I kind of felt it was time to step back for a while, and I leave so very thankful for all of the experiences, the NAIC members, and most in particular its staff, with the obvious exception of Ethan. And I leave excited to have played a role in setting up the NAIC to be stronger in its next 152 years. And I'm also very grateful to my family for their support, particularly my wife, Carrie. For their many sacrifices. I'm not exactly sure what I'll be up to next, but I know I can't wait to spend more time with them and support them as they take on their own dreams. But, for now, I suppose I can put up with this guy just one more time. So, thanks again for joining us today, Ethan. I guess. We'll see.

Sonnichsen: You know, considering I'm about to take over the mic, you know, you shouldn't roast me quite so much, Mike. This isn't going to be a ticker-tape parade that you were hoping for.

Consedine: I've seen your best efforts at a roast. It's lacking. It is lacking.

Sonnichsen: Well, we have some excellent internship opportunities at the NAIC, so, if you get bored in a couple months, we'll consider your application.

Consedine: I am up for that. I am up for that.

Sonnichsen: I appreciate you, you know, acknowledging your departure at the top here, because I think a number of us on the NAIC staff spent much of our recent spring meeting, you know, answering questions from the rumor mill of the industry and consumers who attend our meetings. You know, "What's happening to Mike?" "Where's he going?" "What's the real story?" And, so, about halfway through the meeting, I just started making stories up about what you were going to do.

Consedine: Oh. Good. Okay.

Sonnichsen: So, you may have some explaining to do when you get to your next post.

Consedine: I look forward to getting those emails. That might explain some of the voicemails I've been getting already.

Sonnichsen: Yeah, I'm happy to flip the script on you here, Mike, a little bit and take it over. I mean, this is about you.

Consedine: You enjoy this moment, Ethan. You go ahead.

Sonnichsen: Yeah, the power will not go to my head, or it already has, I think. You've pointed out before, Mike, that as much as we love our jobs, and I know how much you've loved this job and everything you've done in insurance regulation, no kid lies awake in their bed, staring up, wondering one day will they be an insurance regulator. So, what was little Mikey Consedine dreaming of becoming when he was lying awake in his bed? And when, you know, playing for the Eagles didn't really pan out for you ... the

Sixers, obviously, you're a little bit height challenged there. What led you into insurance regulation? How did you end up here?

Consedine: Yeah. And I have no vertical leap whatsoever.

Sonnichsen: I could have told you that.

Consedine: So, basketball was definitely not my future. You know, it's funny. When I did lie in bed as a small boy looking up at the stars, dreaming of my future, there were a couple careers that I really was passionate about. One was to be a pilot. The other was to be a soldier like my dad was in the Army. And then as I got a little bit older, kind of being sort of a diplomat, working for the State Department. My dad ended up taking on some roles that had us at embassies. And the interesting thing is, I think in this job, I've ended up pretty much having aspects of all of those. As somebody who is a fierce defender and advocate of our state-based system and has gone toe to toe in any number of forums defending that system with our counterparts across the globe, there's definitely a little bit of the soldier in me. But, you know, on the diplomacy side, so much of what we do is, you know, really, out there educating and advocating for our state-based system, building relationships, winning hearts and minds both domestically and globally, which, you know, can be a tough thing to do depending on the issue. And, as for a pilot, I think as much time as I have sat in airplane seats over the last decade and watched the efforts and actions of these trained professionals, I'm pretty sure I could actually fly a plane, if put in that position. I'm ready for that moment.

Sonnichsen: Yeah, you got a little Sully in you. I think you could do it.

Consedine: I'm ready for that moment. How difficult could it be?

Sonnichsen: Yeah. How hard can it be?

Consedine: It's like punching buttons.

Sonnichsen: But they sit in the front of the plane. You realize that. You sit in the back.

Consedine: Yeah, I know. But, still, I'm ready for that moment.

Sonnichsen: Oh, that's interesting. Yeah. So, it sounds like service has kind of been in your heart for quite a while, and you found different ways to do that.

Consedine: Yeah. And then, ultimately, it always felt that there was kind of a path, you know, that I was really benefited from in terms of going from a department lawyer at the Pennsylvania Insurance Department and then doing private practice for 13 years at a law firm and then being asked to serve as State Insurance Commissioner in Pennsylvania for 4 years under Governor Corbett. Some private sector experience, and

then, you know, this job came, and, you know, it will go down as the best job I'll ever have had the privilege of doing.

Sonnichsen: Well, you know, again, sitting at our national meeting, you know, when folks weren't asking what the real story was, they were sort of offering, you know, concern and condolences for me and for other NAIC staff who work closely with you. And the sort of tone was, "Oh, gosh, you know, how are you going to ... Mike's been so great." And, it got really nauseating hearing all of the compliments. But there was this concern about "How is the NAIC, you know, gonna fair and survive?" And my response was always, "I think you all vastly overestimate Mike's contributions to the NAIC in this role."

Consedine: But, you know, let's go play along with the fantasy for a little while longer.

Sonnichsen: That you're in charge. You're the CEO.

Consedine: That's right. I'm a very important person.

Sonnichsen: I'm told somewhere there's an org chart on which I, I guess, in theory, report to you.

Consedine: That's almost comical, that such a concept existed at one point in time.

Sonnichsen: But kidding aside, Mike, our listeners have heard that you're a student of history and leadership strategies. You know, I think a lot of the NAIC staff are used to hearing you quote everybody from Winston Churchill to Mike Tyson to ...

Consedine: Those are some of my great ones.

Sonnichsen: Yeah. But the pandemic, right? You know, your tenure here at the NAIC, a big chunk of that was taken over by, you know, a once-in-a-lifetime event, the global pandemic, that really created challenges for leaders of all kinds. It created challenges for insurance and insurance regulation, and it put you and the organization to the test. But there have been other challenges throughout the years. So, how did the pandemic in particular impact your own philosophy, your approach to leadership, and what do you think, you know, your successor or future leaders can take from that lesson?

Consedine: Yeah. Yeah, I mean, there was certainly no playbook for any of us when it came to the pandemic. And that included, you know, leadership. I know we were just talking, given the timing of this podcast, about, sort of, when we left the office back in March of 2019, 2020 ...

Sonnichsen: 2019. No, 2020. Yeah, it was.

Consedine: So, I mean, and it was just so abrupt and, you know, we thought it could be just a couple weeks before we came back, and a couple weeks turned into a couple

years. You know, in terms of leadership styles, you know, you just have to fall back, at least for me, I just fell back on just being a decent human being and having a lot of empathy for, you know, what our team was going through and what the larger world was going through. And then, you know, keeping in mind, obviously, our need to continue to complete the mission and serve our members, but doing so in a way that, you know, demonstrated and took into account a lot of empathy of our team and making the adjustments we needed to make. And, you know, you were part of a lot of those discussions. I mean, we were calling audibles literally at the line of scrimmage in terms of how we were going to go back to work and what that work would look like. But, you know, also, and this becomes a theme when we start talking about our strategic plan, just really making sure that we stayed connected as a team. And some of my fondest memories, if you can have fond memories from a pandemic, you know, were the virtual get togethers that we had, the happy hours. And I got to know more about the team during those months when we were physically separated than I ever did when we were physically together, just because people were very vulnerable and very raw and sort of sharing what was going on in their lives. You know, their joys, their sorrows, their troubles. And I think we got to a point where we kind of were all there for each other. And that, I think that gave us the strength to make it through a very hard two years and hopefully, you know, further solidified the incredible and unique culture of this place.

Sonnichsen: Yeah. Yeah, I mean, they say, “There's no atheists in a foxhole,” and there are no strangers, either. And I think it really did bring this organization together in a great way. As tragic and as terrible as the pandemic was and has been for so many people, I think it really allowed the best of the NAIC and state regulation to shine. I think, if you asked our members, NAIC didn't miss a beat. The productivity stayed really good. I think we all just were there for each other. And a lot of that, you know, I think, really goes back to your leadership, Mike, just on behalf of the staff to kind of hold us together.

Consedine: That feels good. Just keep saying nice things about me, Ethan. I'm not used to this from you, so I've been soaking this all up, enjoying every moment of it.

Sonnichsen: Well, we just switched off your Outlook account, so, you know, I am trying to be nice to you on the way out. No, in all sincerity, it was a really, a testament to your leadership that we came through with such flying colors. And you alluded to our strategic plan. The NAIC publicly announced its new three-year strategic plan, called *State Connected*, at our Spring National Meeting last month in Louisville. The NAIC officers and our Strategic Planning Steering Committee, our members, and senior staff closely collaborated to create *State Connected*, which builds on the previous three-year plan, *State Ahead*. Can you talk a little bit about *State Connected* for maybe those who weren't in the room? You know, what is it? How does it carry the organization forward? How do you think about that as you leave?

Consedine: Yeah. Oh, yeah, I can totally geek out on a strategic plan. I know it's usually a subject that causes most people's eyes to glaze over. But, you know, for us, it's really very important. It's more than a strategic plan. It really is, you know, a

continuing blueprint for the future of the NAIC. And it builds on our last strategic plan, which was *State Ahead*, in that, a little play on words, it was really focused on keeping the states, you know, ahead of the change curve that was coming at that time. And *State Connected* builds on that but also builds on this fundamental notion of the importance of connection. And, you know, we just celebrated, two years ago, I got to be here for our 150th anniversary as an organization. And you go back, we have records from our very first meeting in 1871. And you read, you know, the 16, 17 members who came as far away as California at that point, which was a trip at that point, to get to New York City. And they emphasized how important it was for them to be connected to each other at that point. You know, sort of this growing notion of insurance and starting to become sort of a national business and the need for the regulators to work together to deal with challenges. And even back then, they were dealing with challenges, you know, like earthquakes and climates and hurricanes and all kinds of things that, as well as, you know, uniformity issues. And, so, *State Connected*, kind of goes all the way back to our roots and talks about, you know, how do we ensure that we keep our members connected to each other, which is something we've historically always done, you know, to the information in the data they need to make informed decisions, to the experts out there? There's so much noise now out there in the universe, and our job is to cut through that and get them real data that they can make decisions on. So, there's different aspects of it, but it all goes back to sort of keeping the members connected to each other, connected to data, connected to expertise, and sort of the NAIC right there in the middle as a hub for all of that. And even within the organization, how do we as teams work together? Because, sort of, those silos, you know, between life and health and P&C, you know, so many issues cross across so many of those, you know, lines of business. So, we have to kind of be thinking in a very sort of future state-oriented way. And, so, I'm really pleased, you know, we got this blueprint done. Yeah, I won't be around for the building of it, but I'll certainly be watching. And, again, I know this will just create an even stronger state-based system for all of us.

Sonnichsen: Yeah, you won't be here as we sort of, you know, carry it out, but we'll always have *State Afloat*, Mike. Don't forget *State Afloat*.

Consedine: That's right. That's right. That was the name of our, when we went whitewater rafting, of the staff boat, which, it was the best boat that has ever been down that river. I'm pretty much convinced of that, because of just the real experts that we had on that. And there's a lot of tongue-in-cheek stuff going here at this point, folks.

Sonnichsen: We survived it. That's the important thing.

Consedine: We did. We did. Nobody died in the filming of this movie.

Sonnichsen: Well, you know, you've talked about *State Connected*, obviously. That's our structure, that's our framework for kind of how we're going to face the challenges ahead. But I'm a policy, I'm an issue guy. So, you know, you and I have spent many evenings, afternoons, nights talking about the challenges ahead and some of the issues that we think we might have to face. You've crisscrossed the country. You've

crisscrossed the globe. You've learned from others. You've seen kind of what our sector has to deal with across the globe. So, as you think forward, what are those issues that you have kind of on your radar screen? The challenges that might be out there but also the exciting opportunities for our system?

Consedine: Yeah. I'm sure we will still get together for our beers and discussions over the existential threats to our insurance sector. And, I mean, there are a handful of issues that I know keep me up at night, keep you up at night, and a lot of our leadership. I mean, in that short list, certainly things like climate risk, you know, huge and growing in importance every day as we see the impact of increased, you know, severity of events, the number of events, and the impact that they're having on consumers, particularly when it comes to availability and affordability. I'll throw in, sort of, a combined bucket of, you know, AI, data, cybersecurity, and sort of the technology issues that, you know, if we can't get a framework, sort of, an appropriate framework done at a state-based level that deals with all of those issues, somebody will step in and deal with them for us, because, you know, they again have a material impact on consumers and on the market and potentially even solvency. And then I think it's just, you know, used to be kind of long-term care, but I think there's kind of a larger issue with just the nature, traditional nature, of insurance. I mean, we see increasingly, sort of, insurance pulling back and really kind of focusing only on the very best risks and leaving, sort of, the more challenging ones out there to either be uninsured or underinsured or, you know, maybe "Let's have the government step in." And, used to be, you know, insurance was based on sort of fundamentals of risk sharing and risk pooling. You take good risk, and you take bad risk, and you mix them together. But if we're only insuring the good stuff, we've got a lot of, you know, higher-risk stuff out there. And, again, it impacts millions upon millions of Americans. And, so, I worry about, sort of, that traditional nature of insurance being sort of society's safety net. And, you know, if it's only there for sort of the very best of things, there are going to be a lot of things that fall through that net.

Sonnichsen: Yeah, so, you're talking about protection gaps?

Consedine: Yeah.

Sonnichsen: And protection gaps, I think people tend to think of them as the property/casualty, you know, protection gap, not having enough homeowner's coverage. But there's other types of protection gaps out there. You alluded to long-term care and life insurance. There's a retirement security protection gap that exists in this country. There's, you know, for some there are still health care gaps, protection gaps. And the expectations that society has for insurance is that if we need it, you will provide it. And that is not always the case. There are markets where that's challenging. There's a lot of capital that can be deployed in insurance, but it's not always getting to the people who need it. And I know, I think the industry shares this concern. Your members share this concern. It's something that we're going to have to wrestle with. Let me just kind of dig in on issues just for a second here. I mean, you know, one of the things we've seen over time, and you and I have talked about this, is that insurance, the process of underwriting and pricing, right, creates incentives and disincentives for risk and behavior and things

like that. And there are those that would love to have that pressure, that power that insurance has over our lives, also influence other public policy goals, whether it's supporting climate risk or supporting infrastructure or not supporting certain, you know, bad health behaviors. I mean, if you had advice, and I'm putting you on the spot here, I appreciate that, but, you know, if you had advice for us in our system going forward, should we just focus on just regulating the industry as it exists? How should we entertain those conversations about insurance's role in society and public policy at large?

Consedine: Yeah, and that, I mean, that is such a good question and such a hard one to answer, because I think to some extent, once you start getting on, you know, the slippery slope of using insurance to create public policy, you get going on that slope very, very quickly. But, to some extent, insurance has always been about influencing public policy. But, there's usually, and this is the important thing, you know, a nexus with actual risk. And I think for insurance to remain insurance and not a driver of, you know, again, pure public policy, there has to be a really clear connection to risk, which impacts insurability from a traditional sense. And I think that still allows it to be progressive and forward looking and deal with, you know, emerging issues, you know, like climate, you know, where people live, how they build their houses. Those are risk things. But they also, sure, do they have an impact on how we deal with that as a public policy issue? Absolutely. And I think our members recognize that, as well. So, you know, I think if you keep risk and decisions around risk at the center of the decision-making matrix, I still think you have room to address these emerging issues.

Sonnichsen: Yeah. Well, changing gears a little bit here, Mike, I won't put any pressure on you by asking you, you know, who your favorite NAIC staffer is, because obviously I'm right here, and it would be awkward for everybody in the room.

Consedine: It would not be you.

Sonnichsen: Yeah, well, we both know it's Julianne. I mean, if it wasn't for Julianne, you probably wouldn't even be in the city of Washington right now. You'd probably be somewhere else, lost in an airport.

Consedine: You know, I'm not going to argue with any of that, Ethan.

Sonnichsen: But what were some of your favorite moments and accomplishments during your time at the NAIC? And it doesn't have to be the big, you know, strategic plan. Anything on your mind?

Consedine: You triggered a Julianne moment here, and we had talked about this. And for those who don't know, Julianne is my assistant and, along with my wife, is sort of the other caretaker in my life that actually are the people probably, largely responsible for keeping our state-based system going. But, during the pandemic, this was deep into the pandemic, when, you know, we all had just given up being actual working humans and wearing, you know, actual work clothes anymore. But I had, I think for the first time, a

video, like, interview or presentation, and Julianne literally had to send me a text at some point saying, “You actually have to comb your hair.” We had devolved to the point where we just basically ...

Sonnichsen: Just animals. Just feral.

Consedine: So, but, gosh, in terms of the question, you know, so many memories, and I am just absolutely privileged to have been in this role for, you know, over 6 years and then as a regulator for, you know, 4-plus and as a member of the sector for, gosh, coming up on 25. But so many of them revolve just around, you know, the NAIC team and, you know, just this incredible sense of family connection that we all have. I mean, there have been, you know, so many national meetings and so many international meetings. And, you know, a lot of them were celebratory. A lot of them we needed to kind of console each other. But I think just those moments, you know, where we're sitting together, having a beer, you know, the lights are off in terms of the whole, you know, show of the national meeting or whatever, and we're just kind of enjoying those few quiet moments before we get ready for the next one. Those will be the things that I remember and certainly cherish for the foreseeable future. But none of them actually include you, Ethan, whatsoever, so ...

Sonnichsen: That's fair. That's fine. That's fine. I can handle that, Michael.

Consedine: No, no. You're like a brother to me ... like a younger, dumber ...

Sonnichsen: That's debatable. That is debatable.

Consedine: But certainly, far cooler. I mean, far, far, far cooler.

Sonnichsen: Oh. All right. So, you'll give me that on your way out the door?

Consedine: Yes. Absolutely.

Sonnichsen: I appreciate that. I'll take that. Well, Mike, thank you for all those great thoughts, great answers, great accomplishments. Glad to see that in your six years here, you know, there's something that you can take away and take with you that you'll hold dear ...

Consedine: And my stapler.

Sonnichsen: And your stapler. Right. The microphone stays, but you can take the stapler. So, Mike, last episode, in a *Regulators* podcast first, NAIC President, Director Chlora Lindley-Myers, turned the tables on you. One of your features of this podcast is the “Regulator Risk Roulette,” which is really the part that I enjoy the most listening to, frankly. But she asked you to answer one of your own questions on a famous person living or dead that you'd like to have lunch with. And I think you said ... what did you say? Lord Elrond or, like, Darth Vader? No, you said Winston Churchill.

Consedine: I did. I did, yes. An actual historical figure. Although we could talk about *Lord of the Rings* for a long time, if you'd like ... entire podcast dedicated to that.

Sonnichsen: Well, we're going to have you spin the wheel one more time. We're going to turn the tables on you.

Consedine: Okay. All right. I'm nervous.

Sonnichsen: And as our listeners know, there are six categories: Risky Business, Keep It Professional, Childish Things, Very Interesting, Getting Personal, and That's Entertainment. And the category the wheel lands on will be the question that Mike has to answer.

Consedine: Oh, gosh.

Sonnichsen: As you like to ask, Mike, are you ready to play?

Consedine: I am ready to play.

Sonnichsen: Let's do this.

Consedine: Let's do it.

(Wheel spins.)

Sonnichsen: All right, Mike. That's Entertainment.

Consedine: Oo! All right!

Sonnichsen: Do you have a bucket list? And if you do, what is on it?

Consedine: So, a lot of it, at least for the foreseeable future, revolves around just time with my wife and kids. So, we're gonna do some family vacations. I'm going to take my son to see some colleges. I'm going to take the other kids to see some, our two baseball-playing boys, to see some MLB games this summer. We have a daughter who's turning 16 who's got a sweet 16 party coming up. And then our oldest is graduating from college, so attending, you know, her graduation. So, I mean for any parent, those are bucket list things and moments. And just for me to actually be there, to be able to really enjoy them and not have to worry about packing for my next trip the next day is going to be pretty, pretty big for me.

Sonnichsen: That's great. Well, Mike, before we let you go, you know, you're riding off into the sunset, but you're leaving behind this organization. Any advice for your successor other than keeping Ethan around, if nothing else, for comedic enlightenment and entertainment?

Consedine: Yes, definitely, definitely keep Ethan around. Your mastery of sock puppetry at this point is not to be matched. No, seriously. I mean, you know, one of the reasons I can step away is because I feel really great about where the organization is and where it's headed. And, you know, we've dared to be different in some areas. And I would just say to whoever gets to take on this role, just really appreciate the team. The expertise of the NAIC employees is second to none. I mean, the work that they are able to do supporting, again, the world's largest individual insurance market, it just never ceases to amaze me and how passionate they are about it. So, I think just continuing to really appreciate and empower them to create, you know, a culture and a place where they enjoy working, they feel valued, they feel seen, they feel heard. I think that is a differentiator for us and part of that sort of DNA of the NAIC that we never want to lose, and the rest kind of will take care of itself.

Sonnichsen: Yeah. Yeah, that's great. Well, Mike, you started at the top by talking about the importance of, you know, what you wanted to be when you grow up. And you talked about the importance of service. And I think your career, you know, really has been in and around public service for as long as I have known you, which I think now is going back pretty, pretty far.

Consedine: Pretty far.

Sonnichsen: Yeah. And, so, I guess just on behalf of the NAIC staff, just know that you can be proud of what you've done here, what you've done for insurance regulation. You've left this organization better than you found it. We wish you nothing but the best for you and your family going forward. We're excited to see what you do next. And, you know, keep in mind, those internship jobs, they're out there for you. If you want to come back, we'll hold a spot for you, any time.

Consedine: Well, then you're totally going to ask me for my badge and now escort me from the building, aren't you? I've got that whole ...

Sonnichsen: We'll let you do an outro, but then we're taking the badge, yes.

Consedine: All right. Well, thank you, Ethan. I appreciate those kind words. And, again, it has been an extraordinary pleasure for me. And I would also thank our listeners and thank you for listening to *The Regulators* and to all that have made us a part of your podcast rotation for the past five seasons. It also has been an honor to serve as your host and to talk to the men and women who are working hard on behalf of insurance consumers. I may be stepping away, but don't worry, *The Regulators* will continue, and I hope you'll join us each month and subscribe to *The Regulators* wherever you get your podcasts. I won't see you next time, but I look forward to seeing you around, and I'm going to do a literal mic drop.