

“The Regulators”: Season 6, Episode 2: Reviewing the NAIC’s 2024 Strategic Priorities and More

(Preview) 2024 NAIC President and Connecticut Insurance Commissioner Andrew N. Mais: So, we need to educate consumers. Empower them to make informed decisions about coverage. ... The impact of the coverage gap is not just about numbers. It’s about people. ... As state insurance regulators, we have, and we will continue to take a multi-pronged approach to protecting consumers. ...

NAIC Chief Regulatory Affairs Officer Jeff Johnston: Welcome to “The Regulators,” a podcast where we break down important issues impacting consumers, the insurance industry, insurance markets, and, of course, insurance regulators. I’m your host, Jeff Johnston, chief regulatory affairs officer at the NAIC. I’m honored to be joined today by Connecticut Commissioner Andy Mais, the NAIC’s 2024 president. Recently, Commissioner Mais hosted a great episode with Director Lindley-Myers of the Missouri Department of Insurance. So, I’m feeling a bit of pressure following in your footsteps. So, we’ll see how this goes. Welcome back to “The Regulators” and congratulations on being elected to lead the NAIC in 2024.

2024 NAIC President and Connecticut Insurance

Columbia, or the five territories—

policy. If it is five minutes or 50 years from now, you want to be sure that you are going to be paid. And that is what we regulate through solvency.

To be able to do that, we have to ensure that we have adequate financial oversight and that we as regulators adopt new metrics, adopt new standards, and adapt to evolving investment strategies. Certainly, we've seen that over the past decade or so, as things have changed with, as we've had the extended low-interest rate period now suddenly change into higher interest rates. But we have to make sure we understand everything that's going on.

In addition, we're implementing a modernized economic scenario generator and advancing, and this, you know, the asset adequacy framework, and that's under AG 53, Actuarial Guideline 53—the actuaries can tell you what it is; I can't—but the whole idea is to bring greater transparency and precision to the assessment of cash flows for insurers' structured, you know, securities holdings.

A big one that I think, and, talking to people all over 9 (t)2 -Tj-0.006v -Tje alas rngu holng we hasl

their houses were destroyed, that they couldn't rebuild because they didn't have insurance, because they couldn't afford insurance. We have to be able to address that. We have to be able to close that gap. And we can do that by prioritizing mitigation, by promoting consumer education, and doing other collaboration to address these increased climate-related risks.

press clippings. But addressing these gaps is going to require, you know, a collective effort. Significant collaboration. Can you speak to the broader effects coverage gaps have and how consumers, regulators, and the industry can work together more closely to address them?

Mais: Let me address that by pointing out where there wasn't a coverage gap, and that is a story I tell because it is a story that means so much to me and really struck me. One of the things for me is "how did you get into this industry?" Because, you know, we all know: not everybody grows up wanting to be in insurance. So, I always ask people, and I worked with one of the senior leaders at Deloitte in the insurance practice. And I asked her. We're chatting, and, you know, "How did you get into the industry?" And she told me that when she was a teenager, her father died, and he had a life insurance policy. And it was that policy that enabled her to go to college, to go to grad school, to become such a success in life. And that's what insurance is all about.

The impact of the coverage gap is not just about numbers. It's about people. It's about individuals. It's about families. It's about businesses. It's about economic growth. It's about innovation. It's about people. That's where it comes back to. And closing the gap is not going to be easy. We've got to bring everybody together. It has to be a holistic approach. We've got to have consumers. We've got to have regulators. We've got to have the industry. We all have to work together.

You know, that said, there are some particularly fundamental strategies that I think we need to work on. Consumer education is one of them. We need to enhance consumer education so consumers understand what insurance can do for them. It not only helps you go to work in the morning by covering your car and making sure that you have health insurance if something happens to you. It's also the life insurance, so you know that your family will be taken care of. There is so much more.

So, we need to educate consumers. Empower them to make informed decisions about coverage. And it is going to require, certainly from us, but also from industry, a commitment to innovation. We've done an awful lot the same way for an awful long time. We have tools to do things differently. We have tools to make sure that more products are available. More relevant products for more people. That's what I'm hoping for, and that's the kind of change I hope to drive over the course of my year.

Johnston: I can clearly sense your passion, you know, around this mindset relative to the gap. So, it will indeed take many, many different parts of the industry and the NAIC. We've covered many of the major challenges facing regulators in the industry up to this point, and I'm wondering whether there are other challenges you've got your eye on or other challenges you would urge your fellow commissioners to keep their eyes on?

Mais: There are always, always, always other challenges. And we're constantly discussing them. And some may be more important today than tomorrow. And that may change and change again. But part of what we have to do as insurance regulators is keep an eye on emerging risks so we can address them before they become really

amazing. That kind of grace is incredible, and it inspires me. I keep thinking of that every time, you know, I need some inspiration.

Johnston: He's been an inspiration to many of us. So, yeah, that's very interesting. So, we are almost out of time. But it's a time-honored tradition for our guests to play a round of "Regulator Risk Roulette." We have six categories: Risky Business, Keep It Professional, Childish Things, Very Interesting, Getting Personal, and That's Entertainment. I think we have to go back to the first episode of season three for the last time you played the Roulette. So, are you ready to play?

Mais: Oh, no. They have that? Yes. Go right ahead.

Johnston: Okay. Well, let's spin the wheel.

(Wheel spins.)

Johnston: So, the category is Keep It Professional. So, the question is, what is the best professional advice anyone has ever given you?

Mais: That one's easy, and I've said this before. I remember talking to a reporter about this shortly after my daughter's, I think it was after my daughter's wedding. Yeah, it was after her wedding. It goes back to when I was a relatively new, well, not new, but I was a younger father. I had some hair. And my daughter was a teenager. And as a young teenage woman would, there are always ups and downs. And she came to me, and she was telling me about something that was going on. And as the father who wants to make the world better for his daughter, I gave her the advice, told her what she should do, and her response was, "Dad, shut up and listen." And I have taken that to heart. I don't think I could ever get better advice, and I thank my daughter for that to this day. She's still trying to bill me for it, but I thank her for that advice.

Johnston: Very good, Commissioner. Well, the Spring National Meeting here in Phoenix calls. Commissioner Mais, again, thank you for joining me on "The Regulators." I want to also thank our listeners, as well. Make sure to subscribe to "The Regulators"