



Testimony before the  
Pennsylvania House Appropriations Committee

Presented by:  
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Insurance Commissioner

Thursday, February 28, 2013

**House Appropriations Hearing**  
**Thursday, Feb. 28, 2013**  
1:30 p.m.

Good Afternoon Chairman Adolph, Chairman Markosek, and members of the committee.

This hearing kicks off my third year in the role as the chief regulator for Pennsylvania's insurance industry and head of the state's insurance department.

As the state with the fifth largest insurance premium volume in the country – and the 14th largest in the world -- we supervise the operations of approximately 1,700 insurance companies including three large international groups. Pennsylvania is home to regional carriers and small mutual companies, as well as the chosen lead regulator of some of the largest, global insurance companies.

So I am proud to say that Pennsylvania can boast an insurance marketplace that is highly diverse, stable and growing.

As you can see from our proposed budget, our primary responsibility is to keep our diversified insurance marketplace in good order. Companies should be solvent, consumers should be served, and Pennsylvania should be seen as a place where carriers want to come to do business and stay to do business.

We are keenly aware of Pennsylvania's insurance history and industry and the opportunities that a stable insurance market offers – for business, for consumers and for other industries.

Also, just as many of our companies are evolving to adapt to new marketplace forces, we as insurance regulators must also adapt and change to the increasingly global nature of this business. So while the concept of insurance is a simple one, I am not sure there can be a product more complex than insurance.

We are a world class insurance market and we believe ourselves to be a world class insurance regulator. While we are among the largest insurance marketplaces in the country if not the world, our insurance department operates on a comparatively Spartan budget and complement.

Our budget reflects a streamlined, coordinated regulatory environment for the state's insurance industry. Additionally, we are careful not to promise what we are not sure can be delivered. We have created a top insurance climate, yet we recognize the nation is still recovering from recession, so business investment has slowed and insurance companies are still cautious. Also on the horizon may be changes in health insurance delivery systems, as well as mergers and acquisitions. So we want to use our funding to be transformative, but also to create a regulatory vision that is sustainable.

Beyond the statistics lies a basic indelible fact: the Commonwealth is now, indisputably, seen as a leader – a leader in regulatory reform and a leader in responsiveness to the marketplace. So I want the Insurance Department to always be able to live up to those expectations.

While, today, we may be seen as a premier and professional regulator, the one sound way to see that continues is to lay a responsible foundation now so that the future of the insurance industry is protected with fair, balanced, effective and efficient regulation.

Thank you.