



October 1, 2013

Dear Sir/Madam:

I am writing to you as the Chairman of the Board of the Maine Guaranteed Access Reinsurance Association (“MGARA” or “Association”). My purpose in writing is to advise you of the suspension of the Association and the timing of its final assessment.

Suspension of Reinsurance Program. As a result of conflicts between the MGARA reinsurance program and the federal transitional reinsurance program established under the ACA and Department of Health and Human Services (“HHS”) rules (the “Federal Program”), the Maine Legislature has mandated the suspension of MGARA’s reinsurance program to be effective at the time the federal program begins operation in Maine. We currently expect that program to commence January 1, 2014.

MGARA anticipates termination of its reinsurance program effective January 1, 2014. MGARA will continue the following operations in the 2014 calendar year:

- Payment of claims – pay eligible claims incurred prior to January 1, 2014.
- Assessments – although regular assessments will be terminated, special assessments to fund any net losses for the Association may be made, to the extent necessary, up to a statutory limit of \$2 per member/per month.
- Nominal administration.

Final Regular Assessment. As a result of this suspension, MGARA’s final regular assessment will be its assessment for the fourth quarter of calendar 2013. This assessment is due on or before October 30, 2013.

MGARA will continue to have the right to make deficit assessments at a rate of up to \$2 per member/per month. Deficit assessments would only be made in the event MGARA’s funding level proves inadequate to support payment of claims and wind down of its operations. It is premature, at this time, to provide any guidance regarding whether or not deficit assessments may be required.

ACA Delay. In the event the implementation of the Federal Program is delayed beyond January 1, 2014, MGARA is required to continue its operation until such time as the Federal Program has commenced. The current guidance from HHS is that the transitional reinsurance

program will take effect January 1, 2014. If that is not the case, we will provide you with prompt notification, together with an explanation of our plans for any continuation of regular assessments to support the MGARA program.

In the event you have any questions regarding the above, please contact our Program Administrator, Diane Kopecky, at Ameriben.

Thank you very much for your cooperation.

Very truly yours,

A handwritten signature in black ink that reads "Jolan Ippolito". The signature is written in a cursive style with a large initial 'J'.

Jolan Ippolito
Chair

cc: Diane Kopecky (DKOPECKY@ameriben.com)