

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
April 10, 2018

A regularly scheduled quarterly meeting of the Board of Directors of the Maine Guaranteed Access Reinsurance Association (“MGARA” or the “Association”) was held at 254 Commercial Street, Portland, Maine 04101 at 3:00 p.m.. Attendance is reflected in the record of attendance set forth below:

Jennifer Juke	Edward J. Kane
Katherine Pelletreau	Dr. David Howes
William M. Whitmore	Jolan F. Ippolito, Chair
Joel Allumbaugh	Dana Kempton
Kevin Lewis	Jim Koelbl
Bruce Nicholson (absent)	Jim Lyon

Also in attendance were Laren Walker (administrator), Chris Howard and Emily Cooke (counsel).

1. Public Session

The Public Session of the Board was opened. There being no members of the public present, the Board concluded the Public Session without comment.

2. Conflict of Interest Disclosure Statement

The Board reviewed the Association’s Conflict of Interest Annual Disclosure Statement and Conflict of Interest Policy. Board members executed and returned the Conflict of Interest Annual Disclosure Statements to counsel.

3. Approval of Minutes

The Board reviewed the minutes of the January 29, 2018 Board meeting. One correction was noted, adding David Howes to the attendees list. On motion duly made and seconded, it was

RESOLVED: To approve the Minutes of the Board meeting, as corrected.

3. Monthly Operations Report

Mr. Walker began the presentation with a review of the 2017 audited financial statements prepared by Eides Bailey. He confirmed the audited statements received a clean opinion. He reviewed with the Board the Balance Sheet, which remains at approximately \$5 million in net assets as of December 31, 2017. He briefly reviewed the Statements of Revenue and Expenses and Cash Flows; however, given the dearth of

activity, the review was brief. Following his presentation, on motion duly made and seconded, it was

RESOLVED: to accept the 2017 audited financial statements as presented.

Mr. Walker then reviewed the Company's draft Form 990. The only substantive discussion related to the changes updating the written description of MGARA's current status. No action was taken on the Form 990, as Board approval is not required.

Mr. Walker presented the Monthly Operations Reports for the period ended February 2018. The report reflected the Association's static state with nominal revenue and expense and a Fund Balance remaining at approximately \$4.9 million. The reduction in fund balance is attributable directly to actuarial, legal and other expenses associated with the work performed in connection with the MBOI Section 1332 Waiver Application. Investment income continues at a modest rate. The Board discussed authorizing additional work by Milliman regarding an analysis of the potential for splitting the risk pool, without violation of CMS guard rails. Following discussion, counsel was authorized to proceed with that work.

Following limited discussion, on motion duly made and seconded, it was

RESOLVED: To approve the Monthly Operations Report, as presented.

4. Discussion re 1332 Waiver and Restart

The Board reviewed the MBOI ACA Section 1332 Waiver Innovation Application dated April 2018. Extensive discussion ensued regarding the status of the Waiver Application and the Board's continuing concern with a lack of confidence in the federal government funding pass through payments. Discussion focused on the potential threat to MGARA's solvency resulting from any failure to fund these payments. It was noted that the MBOI Application assumes carriers will recognize 100% of MGARA-related savings on an immediate basis. It was noted that due to the uncertainty surrounding pass through payments, carriers may give less credit than as shown in the MBOI presentation.

5. 2018 Meeting Schedule

The Board confirmed the quarterly Board meeting schedule for the balance of 2018. The Board agreed that the weekly Monday calls would be discontinued for the time being. In the event developments require Board action, Mr. Howard is to schedule a conference call or in person meeting, as necessary.

There being no further business to come before the board, the meeting was adjourned.

A handwritten signature in black ink, consisting of a large, stylized 'A' or similar character with a horizontal line through it, and a smaller character to its right.

Duly Authorized Officer