

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
February 24, 2014

A regular meeting of the Board of Directors of the Maine Guaranteed Access Reinsurance Association (“MGARA” or the “Association”) was held by telephone conference call at 3:00 p.m. on February 24, 2014. Attendance is reflected in the record of attendance set forth below:

Jennifer Juke	Edward J. Kane
Katherine Pelletreau (absent)	Christopher T. Roach
William M. Whitmore	Jolan F. Ippolito
Dr. David Howes (absent)	Dana Kempton
	Joel Allumbaugh (absent)

Also in attendance were Chris Howard and Laren Walker.

1. Approval of Minutes

The Board reviewed the minutes of the January 27, 2014 meeting.

RESOLVED: To approve the Minutes of the Board’s January 27, 2014 meeting, as presented.

2. Monthly Operations Report

Laren Walker presented the Monthly Operations Report for the month of December 2013. The balance sheet, as of 12/31/13, reflects a \$5.45M fund balance. Revenues finished the year approximately \$1.5M behind budget, at \$45.1M. Mr. Walker reminded the Board that, beginning in 2014, there would be no further revenue stream due to suspension of operations. Expenditures were approximately \$162,000 above budget, with all of that expense being attributable to claims incurred.

The focus of the discussion was the determination of IBNR and its impact on financial performance. Laren reported that Milliman has indicated an expected \$4 million increase in IBNR from approximately \$5M to approximately \$9M. This change will result in a loss of about \$2.5M, which will reduce anticipated fund balance by a corresponding amount.

Notwithstanding the IBNR increase, Mr. Walker reported a relative degree of confidence in the Association’s financial position because the IBNR is likely a fairly solid number, which Milliman expresses as conservative.

Bill Whitmore discussed the need to review lag triangles, and requested that those be forwarded to him by Ameriben.

Mr. Walker reported his instructions to KeyBank to liquidate investments, without penalty, in order to generate the cash required to fund claims and operational expenses on a forward looking basis.

3. Newborn Cede Request

There was a brief discussion regarding the newborn cede request raised at the last Board meeting. Mr. Howard has requested additional information from the carrier making the request, and he will be reviewing that as it becomes available.

4. Discussion of Meeting Dates

The Board confirmed a telephonic meeting for March 17, 2014, with the annual meeting to be held at Pierce Atwood on April 8, 2014.

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



Duly Authorized Officer