

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
August 19, 2013

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 on August 19, 2013. Attendance is reflected in the record of attendance set forth below:

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

Also in attendance were Chris Howard and Laren Walker.

1. Approval of Minutes

The Board reviewed the minutes of the July 22, 2013 meeting. Following review, on motion duly made and seconded, it was

RESOLVED: To approve the Minutes of the Board’s July 22, 2013 meeting, as presented.

2. Monthly Operations Report

Laren Walker presented the Monthly Operations Reports for the month of July 2013.

Mr. Walker first reviewed the balance sheet, with a focus on the claims and IBNR lines.

He reviewed with the Board the issues related to formerly unprocessed claims. He indicated that Ameriben is comfortable they have all Anthem claim files, but have not yet completely finished their audit, and that Anthem’s algorithm and Ameriben results are still yielding some differences. The difference between the Anthem algorithm and Ameriben’s results is in the \$2 million to \$3 million range. Mr. Walker was certain that all claims have been entered and that the solution resides in determining whether the unreconciled amounts are a mistake in Ameriben’s processing or in Anthem’s algorithm.

The Board discussed the reasons underlying these discrepancies. Mr. Walker explained that there were several different options for submitting claim files and that Anthem chose a non-standardized option, which resulted in some confusion in identifying the files that were submitted. The file identification issue was essentially a labeling issue. Mr. Walker indicated that he expected the audit would be finished by the Board’s

September meeting. The Board inquired as to whether there was any likelihood of this issue continuing and Mr. Walker indicated that Ameriben is now implementing a check via separate “control” files regarding claims, numbers and volumes such that this issue should not recur.

The Board discussed the Association’s cash position and there is a general comfort level that there is sufficient cash to pay any additional claims that are processed as a result of this audit.

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

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

3. Implementation PL 223

The Board discussed implementation of PL 233, which requires posting of notice of Board meetings, agendas and minutes on the MGARA website beginning with the October meeting. The website also needs to provide a mechanism for submission of comments by the public, which can simply be an email address. Mr. Walker indicated that these changes are relatively straightforward. In the course of this discussion, a question arose as to whether the Association had filed its 2012 tax returns, and Mr. Howard and Mr. Walker were charged with looking into this issue immediately.

4. Review Suspension Plan Outline

The Board reviewed the outline of the Suspension Plan submitted in the Board package. Following discussion of the details of the Plan, the only additional comments related to the need to develop some bullet points or talking points regarding communication surrounding the Association’s suspension. The Board briefly discussed the timing for the Association’s final assessment, concluding that the final assessment would be made in October for the fourth quarter, based on third quarter enrollment.

5. Future Board Meetings

The Board confirmed the date and time for the next Board meeting at 3 p.m. on September 23, 2013, in person. Meetings for October 21, 2013, November 18, 2013 will be telephonic meetings, and the December 16, 2013 meeting will be in person.

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

Duly Authorized Officer