

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
June 13, 2016

The Meeting of the Board of Directors of the Maine Guaranteed Access Reinsurance Association (“MGARA” or the “Association”) was held telephonically at 3:00 p.m. on June 13, 2016. 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 (absent)
	Kevin Lewis

Also in attendance was Chris Howard, counsel.

1. Conflict of Interest Statements

Mr. Howard reminded the directors to submit any missing Annual Disclosure Statements regarding Conflict of Interest.

2. Approval of Minutes

The Board reviewed the minutes of the April 12, 2016 Member meeting and Board meeting. On motion duly made and seconded, it was

RESOLVED: To approve the Minutes of both the Member meeting and Board meeting, as presented.

3. Monthly Operations Report

Mr. Howard presented the Monthly Operations Report through April, 2016. The reports reflect the Association’s static state with nominal revenue and expense and a Fund Balance remaining at approximately \$5.5 million. The Association’s Fund Balance remains invested in a fixed income portfolio of relatively short duration. Following limited discussion, on motion duly made and seconded, it was

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

4. Discussion re MGARA Restart

The Board turned its attention to the principal issue for discussion, that being the work on the potential MGARA restart. Extensive substantive discussion ensued regarding the ability to establish a structure for MGARA that would avoid the APTC offsets, resulting from reductions in on-exchange premium due to MGARA reinsurance. Discussion included the ability to somehow differentiate off-exchange population without

violating limitations regarding the single risk pool requirements. The Board also discussed the possibility of differentiating the concept of “premium” to include only post-APTC premium.

Following this conceptual discussion of potential solutions to the loss of federal subsidy, the Board discussed the process for identifying a possible solution, and the timeline for that process. It was the consensus of the Board to reach out to all identifiable resources, including engaging Milliman, Board members speaking with their governmental relations staff, contacting Janet Troutwine at NAHU, contacting academic institutions, including Carnegie Mellon, University of Michigan and MIT, discussing with Laren Walker the approach other states are taking (specifically, Alaska, Utah and Idaho), and reaching out to the Maine Superintendent of Insurance and his staff. In essence, expanding the conceptual discussion to include all available resources in search for a solution, the Board authorized Mr. Howard to contact Milliman and arrange an engagement for a high level discussion and potential high level analysis.

The Board agreed on a timeline to conclude this outreach and brainstorming, with the hope of having a solution and some high level, substantive analysis for the Board’s meeting in September.

5. 2016 Meeting Schedule

The Board discussed the 2016 meeting schedule and the following schedule was confirmed:

- September 12, 2016 – in person (public session)
- December 12, 2016– conference call

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



Duly Authorized Officer