

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
November 30, 2015

A special meeting of the Board of Directors of the Maine Guaranteed Access Reinsurance Association (“MGARA” or the “Association”) was held at 3:00 p.m. on November 30, 2015 by telephone conference call. Attendance is reflected in the record of attendance set forth below:

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

Also in attendance were Chris Howard, counsel, Laren Walker, administrator and Bela Gorman, from Gorman Actuarial.

The sole item on the agenda was Bela Gorman’s presentation of her additional analysis regarding Maine Individual Market Exchange Enrollment. This analysis was requested at the September Board meeting in order to investigate further the impact of MGARA restart, particularly the preliminary conclusions that any MGARA-type reinsurance would largely benefit the federal government, as opposed to the Maine market.

Ms. Gorman presented her analysis, which consisted of a much more detailed review of Individual Exchange Market membership and the distribution of that membership across various plan types. Her analysis reviewed a series of “exchange premium scenarios,” which demonstrated that the lower a member’s income the higher their federal subsidy and the older a member the higher their federal subsidy. Translated to the Maine individual exchange market, that means Maine has a very high level of subsidized members. Additionally, subsidy increases for lower level plans and 94% of the Maine Exchange Market is enrolled in plans below the Gold level, with 73% enrolled in Silver plans and 21% in Bronze.

The conclusion of the analysis is that a very large segment of the Maine Individual Exchange Market pays a fixed percentage of income and would receive no savings as a result of MGARA reinsurance. That reinsurance would simply reduce federal subsidy levels.

Vigorous discussion followed. During discussion, Ed Kane had to drop off the call for another meeting. The Board rapidly reached a consensus that restart of the MGARA program under the current market conditions and ACA subsidies would be inappropriate, but that, given the dynamic market environment, and the potential impact of upcoming Presidential elections, it would be prudent to request an extension of MGARA’s suspension for an additional 2 years, with restart being subject to review by

the Superintendent and recommendation to the IFS Committee. On motion duly made and seconded, it was unanimously

RESOLVED: to authorize Mr. Howard to communicate the Board's position to Superintendent Cioppa and take appropriate actions to communicate the Board's position and advocate for this result, 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 initial 'H' followed by a cursive name.

Duly Authorized Officer