

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
November 5, 2018

A special meeting of the Board of Directors of the Maine Guaranteed Access Reinsurance Association (“MGARA” or the “Association”) was held via teleconference at 3:00 p.m. Attendance is reflected in the record of attendance set forth below:

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

Also in attendance were Chris Howard and Emily Cooke of Pierce Atwood LLP, counsel to the Association, and Laren Walker, Administrator.

1. Review Amended Plan of Operation

Mr. Howard provided a summary of recent developments associated with the preparation of MGARA’s Amended and Restated Plan of Operation (the “Plan”):

- The operational workshop for carriers took place as scheduled on October 16, and was attended by representatives of all three carriers participating in Maine’s individual market as well as Katherine Pelletreau. Today’s meeting materials include an updated draft of the Plan incorporating the majority of carrier feedback received at the workshop, together with a memo from counsel summarizing the specific items of feedback that were not incorporated and the associated rationale.
- No Bureau feedback was received with respect the original draft of the Plan previously submitted for Bureau review and comment. The Bureau has been provided the updated draft reflecting carrier input.
- Per carrier request, the Administrator arranged a technical work session with Blue Cross of Idaho, scheduled for tomorrow, November 6. Carriers have received dial-in information to join the call as desired.

Board members then offered comments and input on the revised draft of the Plan, which are summarized here:

- Participants commented that the revised draft represents good progress updating the Plan to the idiosyncrasies of the Affordable Care Act environment.
- However, concerns were expressed with respect to the following items:

<u>Area of Divergence from Carrier Feedback (10/16 Workshop)</u>	<u>Approach in Current Draft</u>	<u>Concern Expressed re: Current Draft</u>
Carriers' Rights Upon a Member's Change in APTC Eligibility	To the extent a member is retroactively terminated for nonpayment of premium, the Plan provides for a refund of reinsurance premium retroactive to the termination date of coverage. No refund for reinsurance premiums based on member nonpayment. Rationale is that MGARA carries the risk (and would be obligated to pay claims) when the policy is in force, irrespective of whether or not underlying premiums are collected.	Participants expressed concern that this approach requires carriers to cede policies from which they can't collect premium (because the covered person is subsequently determined not to be APTC-eligible).
Carrier Obligation to Identify Mandatory Cedes	Revisions to 10.2(b) narrow carriers' obligation to identify Mandatory Ceding Conditions.	No specific concern expressed.
Window to Make Retroactive Voluntary Ceding Decisions	60-day window.	Some participants asserted that this window is too short for carriers to make a meaningful assessment, given carriers' lack of a compulsory Health Statement. Following discussion, the Board reached a consensus that 90 days is a more appropriate window.
Proration of Premium for Mid-Month Terminations	Due to technical limitations in the Administrator's system, proration will be to beginning or end of month, depending where in the month the termination occurs.	No specific concern expressed.

A participant also raised a question as to how the Plan's freeze-out concept would apply to individuals moving between carriers.

Kevin Lewis and Katherine Pelletreau each indicated that they had a series of additional comments on the revised Plan. Following brief discussion, it was agreed to adjourn the meeting pending receipt and incorporation of those additional comments and feedback, with a goal of having those reviewed and incorporated in advance of the Board's next meeting on November 19.

2. Board Meeting Schedule Confirmation

The Board discussed the schedule of upcoming Board meetings for the balance of 2018. It was agreed that the next meeting will take place on Monday, November 19, with a two-

hour time slot in case needed. In the meantime, Mr. Howard will schedule conference calls or in-person meetings should the need arise.

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