

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
September 15, 2014

A regular 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 September 15, 2014 by telephone conference call. Attendance is reflected in the record of attendance set forth below:

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

Also in attendance were Chris Howard and Laren Walker.

1. Approval of Minutes

The Board reviewed the minutes of the June 23, 2014 meeting. On motion duly made and seconded it was

RESOLVED: To approve the Minutes of the Board’s June 23, 2014 annual meeting and Board meeting, as presented.

2. Monthly Operations Report

Laren Walker presented the Monthly Operations Report for results through May and June. He briefly reviewed the May report, as June was more developed. Cash in investments as of June 30 were \$6,495,974, with total assets of \$6,515,880. Mr. Walker reported claims payable of \$431,974, and IBNR of \$5,119,715, and a fund balance of \$930,379.

The Board discussed the process for making appropriate adjustments once the run out on claims is concluded. Mr. Walker explained that, once claim activity has concluded, there will be a journal entry reversing out amounts remaining in IBNR, which will then be added to the fund balance.

The Board discussed the Association’s investment portfolio. Mr. Walker reported approximately \$2 million in a money market investment, with the balance invested in 3-12 month maturities. The Board consensus was to revisit the Association’s investment policy at the December meeting, as claim activity should largely have subsided by that point in time and that, in the interim, Ameriben should begin to invest in 2-3 year maturities, with discretion to keep an appropriate portion of the portfolio in short-term investments, as cash requirements dictate.

The Board discussed Ameriben’s proposal for adjustment of its fee structure. Mr. Walker’s proposal was a fixed payment of \$5,000 per month for the months of July 2014-February 2015, which would cover Ameriben’s services through the annual financial audit for 2014. On motion duly made and seconded it was

RESOLVED, to approve Ameriben’s request for fee adjustment, as presented.

The Board discussed the need for Ameriben to be proactive throughout the fall of 2014 to assure that all claims are made prior to year end.

3. Meeting Schedule

The Board confirmed the dates for 2014 Board meetings by conference call:

December 15, 2014

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 'A' followed by a flourish.

Duly Authorized Officer