

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
August 26, 2019

A regularly scheduled quarterly 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:

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| Joel Allumbaugh | Marybeth Liang (absent) |
| Dr. David Howes (absent) | Jim Lyon |
| Jolan F. Ippolito, Chair | Bruce Nicholson |
| Dana Kempton | Katherine Pelletreau |
| Kevin Lewis | Dan Rachfalski |

Also in attendance were Laren Walker and Diane Kopecky of River 9 (administrator), and Chris Howard of Pierce Atwood LLP (counsel to the Association).

The meeting was brief because the only item on the Agenda was the review of the Monthly Operations Report for June 2019. Mr. Walker reviewed the report.

Assessments: Mr. Walker reported that assessments had increased to \$ \$5,452,869 as of the end of June, representing 38% of full year budget, but continue to lag behind projections. Mr. Walker noted two factors contributing to the lower-than-projected assessment figure: First, non-January renewal cycles for some policies mean the assessment deadline for those policies is delayed until later in the calendar year. Second, the lack of response from certain potential payors discussed at the July meeting. Mr. Walker reported continued work on this issue, including discussions initiated with the MBOI regarding its involvement in identifying any potential payors and sending a notice directly from the MBOI re same.

Premiums: Premiums collected as of the end of June are running behind projections at \$15,963,061 due to a lower level of ceding than projected.

Claims: Claims incurred were \$34,542,973 representing 36% of full-year projections as of the end of June. Mr. Walker reiterated that claim volume is expected to increase throughout the second two quarters.

Expenses: Administrative expenses as of the end of June were \$357,000 representing 51% of full year budget.

1332 Draws: Mr. Walker reviewed a schedule reflecting the draws against the 1332 grant proceeds through August, which totaled \$23,910,079 representing 38% of pass-through payments available for 2019.

Supplemental Information: Mr. Walker reviewed the supplemental information included in the financial packet. Ceded lives totaled 3227 with 2126 Mandatory Cedes and 1101 Discretionary Cedes as of July 20, 2019. There was discussion regarding the continued differential among levels of mandatory ceding among the carriers. This was identified as an item for further discussion at the September meeting when more information would be available.

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

A handwritten signature in black ink, appearing to be a stylized 'A' or similar character, positioned above a horizontal line.

Duly Authorized Officer