

**MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION**  
**Minutes of the Board of Directors**  
**September 26, 2016**

The Meeting of the Board of Directors of the Maine Guaranteed Access Reinsurance Association (“MGARA” or the “Association”) was held by telephone conference call at 3:00 p.m. on September 26, 2016. Attendance is reflected in the record of attendance set forth below:

Jennifer Juke (absent)	Edward J. Kane
Katherine Pelletreau	Dr. David Howes
William M. Whitmore (absent)	Jolan F. Ippolito, Chair
Joel Allumbaugh	Dana Kempton
	Kevin Lewis

Also in attendance was Chris Howard, counsel, Bill Thompson from Milliman, and Laren Walker, Administrator.

**1. Discussion re Reactivation Analysis**

The Board’s discussion focused on the conceptual questions presented at the conclusion of the last meeting.

1. Is working on a Section 1332 waiver as solution for a 1/1/18 MGARA restart the right direction?
2. What are the alternatives given the Legislative interest in re-start as a means of providing some rate relief?
3. Is there enough market impact from the \$4 PMPM to move the needle given the changes in the market since MGARA originated?
4. Given that the reduction in rate benefits members with household incomes above 350% of FPL, is the impact of re-start broad enough to justify the \$4 PMPM assessment?
5. Without some rate relief, is there a possibility of a downward spiral as participants above 350% FPL begin to opt out of insured status and accept the penalty instead?
6. Should we be concerned about the effect on the small group market resulting from successfully implementing the program?

The initial discussion focused on MGARA’s charge under Public Law 404. Although MGARA has no articulated responsibility to make a report to the Superintendent or the IFS Committee, Mr. Howard reminded the Board that MGARA

made a commitment to perform an analysis and make a report to Superintendent Cioppa prior to his report to the Superintendent at the beginning of the next legislative session. The Board reviewed the requirements of Public Law 404 in detail:

Before February 15, 2017, the superintendent shall make a recommendation to the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters as to whether the Maine Guaranteed Access Reinsurance Association should resume operations following its suspension pursuant to Title 24-A, section 3953, subsection 1 pursuant to a revised plan of operation or should terminate its operations and dissolve and whether any changes should be made to the statutes governing the association in connection with its continued operation or dissolution.

Following that review, the Board determined that the Superintendent's responsibilities extended to both whether MGARA should be terminated, and, if not, whether there should be any changes in its enabling legislation. Absent any changes in its enabling legislation, MGARA is required to restart effective January 1, 2018.

Having clarified its mission, the Board then turned to a discussion of the alternative scenarios. A desire was expressed to hear from the missing Board members before making any firm decisions; however, the Board decided to authorize further work by both Pierce Atwood and Milliman in developing the following scenarios for MGARA's future:

1. Termination of operations
2. Continued suspension of operations
3. Reactivation based on its existing prospective model
4. Reactivation based on a retrospective model

With respect to the final two scenarios, the Board was interested in how much impact could be generated by a \$4 PMPM assessment on the 82,000 assessable lives, together with the federal pass through payments generated under a Section 1332 Waiver.

Mr. Howard was directed to resume Monday conference calls at such time as materials had been prepared responsive to the foregoing scenarios.

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

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Duly Authorized Officer