

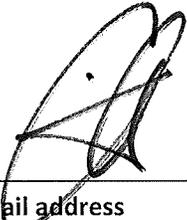
## Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers – Reinsurance Waiver Quarterly Report

**Reporting Instructions:** Use the following template to capture data for quarterly 1332 waiver grant reporting, as specified in 45 CFR 155.1324(a), and referenced in your grant specific terms and conditions (STC). Quarterly reports are due 60 days following the end of each calendar quarter.

STATE:

<b>A. GRANTEE INFORMATION</b>			
<b>1. Reporting Period End Date</b> 09/30/2020		<b>2. Report Due Date</b> 11/30/2020	
<b>3. 1st Quarterly Report</b> <input type="radio"/>	<b>2nd Quarterly Report</b> <input type="radio"/>	<b>3rd Quarterly Report</b> <input checked="" type="radio"/>	<b>4. Federal Agency and Organization Element to Which Report is Submitted</b> Consumer Information & Insurance Oversight (CCIIO)
<b>5. Federal Grant Number Assigned by Federal Agency</b> 1 SIWIW190005-01-00	<b>6a. DUNS Number</b> 160208815		<b>6b. EIN</b> 016000001
<b>7. Recipient Organization Name</b> State of Maine - Maine Guaranteed Access Reinsurance Association			
<b>Address Line 1</b> 254 Commercial Street			
<b>Address Line 2</b>			
<b>Address Line 3</b>			
<b>City</b> Portland	<b>State</b> ME		<b>Zip Code</b> 04101
<b>Zip Extension</b>		<b>8. Grant Period Start Date</b> Jan 1, 2019	
<b>9. Grant Period End Date</b> Dec 31, 2023			
<b>10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)</b>			

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<b>B. REPORT CERTIFICATION</b>	
11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.	
<b>11a. Typed or printed name and title of Authorized Certifying Official</b>  Christopher E. Howard Secretary, General Counsel Authorized Organizational Representative	<b>11b. Signature of Authorized Certifying Official</b>  
<b>11c. Telephone (area code, number, and extension)</b>  (207) 791-1335	<b>11d. E-mail address</b> choward@pierceatwood.com
<b>11e. Date report submitted (month/day/year)</b>  Nov 25, 2020	
<b>C. PROGRESS OF SECTION 1332 WAIVER - General</b>	
<b>12. Provide an update on progress made in implementing and/or operating the approved 1332 waiver.</b> <b>GRANT-RELATED INFORMATION</b>  <ul style="list-style-type: none"> <li>- Grant issued on 04/30/2019.</li> <li>- Grant Transfer to the Maine Guaranteed Access Reinsurance Association (MGARA) completed 6/26/19.</li> <li>- 2020 grant draw downs for 9 months ended 9/30/20 = \$24,295,734</li> </ul> <b>MGARA-RELATED INFORMATION</b>  For the 9 months ended 9/30/20, total income was \$68,378,859, including \$14,744,353 in regular assessment revenue and premiums received of \$28,894,477. 1332 Grant revenue for the YTD was \$24,295,734. Gain on investments and interest income totaled \$444,295. Claims incurred for the period totaled \$47,762,756, which together with operational expenses resulted in total expenses of \$48,649,322. The MGARA monthly operations report as of September 2020 is attached for reference.  Grant funds will be fully drawn in October, 2020. Claims are running at \$7 million to \$9 million per month with a normal spike expected in the December to February 2021 period. Assessment revenues as a percentage of projections are running ahead of 2019, which we attribute to the maturity of the program	

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and greater awareness. One of the carriers appears to be slightly behind in mandatory ceding and consultation with that carrier is underway.

**13. Describe any implementation and/or operational challenges, including plans for and results of associated corrective actions. After the first quarter, only report on changes and/or updates, as appropriate.**

**There were no notable implementation and/or operational challenges experienced in Q3.**

**MGARA is awaiting the Maine Bureau of Insurance decision regarding implementation of the small group market merger, which will require a ramp-up in effort to plan the implementation of that revised operating model.**



**MGARA**  
Balance Sheet  
as of 6/30/2020

	2020	2019
<b>Assets</b>		
Cash/Investments (Note 1)	\$59,325,347	\$11,869,323
Assessment Receivable	-	-
Accrued Investment Interest Receivable	169,897	16,388
Allowance for Bad Debts	-	-
Premium Receivable	2,934,781	3,276,594
Grant Receivable	-	-
Claims Receivable	-	-
IBNR Premiums	400,000	-
Prepaid Expenses	0	0
<b>Total Assets</b>	<b>\$62,830,025</b>	<b>15,102,314</b>
<b>Liabilities</b>		
Accounts Payable (Note 2)	\$181,718	\$265,440
Claims Payable	11,334,573	\$23,634,301
IBNR Liability	14,900,000	0
Deferred Assessment Liability	-	-
Line of Credit	-	-
<b>Total Liabilities</b>	<b>\$26,416,291</b>	<b>\$23,899,741</b>
<b>Fund Balance</b>	<b>\$36,413,734</b>	<b>\$-8,737,427</b>

**Statement of Revenues and Expenditures**  
For the 6 Months Ending June 30, 2020

	Current Month	YTD 2020	YTD 2019	Full Year 2020 Projected <sup>a</sup>	2020 YTD % of Projected
<b>Revenues</b>					
Regular Assessment	\$243,592	\$7,601,447	\$5,452,869	\$22,400,000	34%
Additional Assessment	-	-	-	-	-
Premiums	3,130,554	18,720,794	15,963,061	37,900,000	49%
Grant Revenue (Note 4)	4,453,046	6,996,096	-	26,300,000	27%
Change in Premium IBNR	-	-	-	-	-
Gain on Investments	(124,259)	(259,791)	30,340	-	-
Interest Income	231,901	628,449	50,730	-	-
<b>Total Income</b>	<b>\$7,934,833</b>	<b>\$33,686,996</b>	<b>\$21,496,999</b>	<b>\$86,600,000</b>	<b>39%</b>
<b>Total Income excluding Assessments and Grants</b>		<b>\$19,089,452</b>	<b>\$16,044,130</b>	<b>\$26,300,000</b>	<b>73%</b>
<b>Expenditures</b>					
Claims Incurred	\$5,552,936	\$26,490,176	\$34,542,973	\$80,900,000	33%
Change in IBNR	-	-	-	-	-
Administration Fees	47,114	281,921	222,792	-	-
Interest Expense	-	-	-	-	-
Professional Fees (Note 3)	29,910	344,402	110,169	600,000	112%
Insurance Expense	29,970	42,767	18,923	-	-
Bank Charges	879	4,694	3,686	-	-
Other Expenses	-	-	1,528	-	-
<b>Total Expenses</b>	<b>\$5,660,809</b>	<b>\$27,163,959</b>	<b>\$34,900,071</b>	<b>\$81,500,000</b>	<b>33%</b>
<b>Revenues excluding Assessments and Grants in Excess of Expenditures</b>	<b>\$-2,422,614</b>	<b>\$-8,074,507</b>	<b>\$-18,855,941</b>	<b>\$-55,200,000</b>	<b>15%</b>
<b>Revenues In Excess of Expenditures/ (Expenditures in Excess of Revenues)</b>	<b>\$2,274,024</b>	<b>\$6,523,036</b>	<b>\$-13,403,072</b>	<b>\$5,100,000</b>	<b>128%</b>
Fund Balance - Beginning		\$29,890,698	\$4,665,645	\$29,900,000	
<b>Fund Balance - Ending</b>		<b>\$36,413,734</b>	<b>\$-8,737,427</b>	<b>\$35,000,000</b>	