

**MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION**  
**Minutes of the Board of Directors**  
**September 27, 2021**

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

Joel Allumbaugh	Jim Lyon
Dr. David Howes	Bruce Nicholson ( <i>absent</i> )
Jolan F. Ippolito, Chair ( <i>absent</i> )	Katherine Pelletreau
Ben Johnston	Ellen Schneiter
Dana Kempton ( <i>absent</i> )	Geoff Shannon
Kevin Lewis	Bill Whitmore

Also in attendance were Laren Walker and Diane Kopecky of River 9 (administrator), Dave Williams and Sean Hilton of Milliman, Inc. (actuary) and Chris Howard and Emily Cooke of Pierce Atwood LLP (counsel to the Association).

Mr. Howard reminded the Board that, as noted at the Board’s previous meeting, on September 10 the Maine Bureau of Insurance (the “Bureau”) published its Notice of Rulemaking, Proposed Rule, and accompanying Fact Sheet regarding proposed Rule Chapter 856, Combination of the Individual and Small Business Health Insurance Risk Pools (the “Proposed Rule”). The purpose of this meeting is to obtain Board member, actuary, and administrator feedback on the Proposed Rule.

Mr. Howard noted that, as previously mentioned, the Proposed Rule generally tracks what had been expected. That said, the Proposed Rule would consolidate all small group renewals into a single January 1 renewal cycle.

A discussion ensued. Many Board members, representing diverse segments of the insurance market, observed that the January 1 change has the potential to impose significant adverse consequences on the insurance market: small businesses will be further squeezed at an already-busy time of year; brokers will be compelled to seek non-traditional plans (that aren’t subject to the small-group renewal cycle) for their lower-risk plans, thus risking the flight of lower-risk plans to other markets; and to handle the increased year-end volume, carriers may be forced to automate renewals, to the detriment of service and personal interaction. On the other hand, participants acknowledged that a January 1 *reinsurance* cycle is administratively easier for MGARA to implement. Accordingly, it was widely observed that a solution to this dilemma may be to retain a January 1 cycle for MGARA reinsurance, while permitting small-group plans to continue to utilize staggered (i.e., non-January 1) renewal cycles. It was generally agreed that Mr. Howard should, on MGARA’s behalf, communicate these observations and concerns to the Bureau in support of the Bureau’s focus on stabilizing the small-group market.

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



Duly Authorized Officer