


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:

A. GRANTEE INFORMATION			
1. Reporting Period End Date 09/30/2021		2. Report Due Date 11/30/2021	
3. 1st Quarterly Report <input type="radio"/>	2nd Quarterly Report <input type="radio"/>	3rd Quarterly Report <input checked="" type="radio"/>	4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight (CCIIO)
5. Federal Grant Number Assigned by Federal Agency 1 SIWIW190005-01-00	6a. DUNS Number 160208815	6b. EIN 016000001	
7. Recipient Organization Name State of Maine - Maine Guaranteed Access Reinsurance Association			
Address Line 1 254 Commercial Street			
Address Line 2			
Address Line 3			
City Portland	State ME	Zip Code 04101	
Zip Extension		8. Grant Period Start Date Jan 1, 2019	
9. Grant Period End Date Dec 31, 2023			
10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency) MGARA Q3 2021 Financial Report			

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

B. REPORT CERTIFICATION	
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.	
<p>11a. Typed or printed name and title of Authorized Certifying Official</p> <p>Christopher E. Howard Secretary, General Counsel Authorized Organizational Representative</p>	<p>11b. Signature of Authorized Certifying Official</p> 
<p>11c. Telephone (area code, number, and extension)</p> <p>(207) 791-1335</p>	<p>11d. E-mail address</p> <p>choward@pierceatwood.com</p>
<p>11e. Date report submitted (month/day/year)</p> <p>Aug 25, 2021</p>	
C. PROGRESS OF SECTION 1332 WAIVER - General	
<p>12. Provide an update on progress made in implementing and/or operating the approved 1332 waiver. The MGARA program is in its third year of full operation and is functioning according to plan. For the 9 months ended 9/30/21, total income was \$68,407,927, consisting of \$26,387,818 in premium collected on ceded policies, \$14,155,766 in assessment revenue and \$27,929,948 in 1332 grant revenue. Interest income YTD was \$1,694,034. The investment portfolio showed a loss of \$2,030,270; however, the MGARA investment portfolio is "marked to market" for reporting purposes, but held to maturity, assuring that there will be no actual losses realized on its portfolio. Claims incurred for the period totaled \$50,779,870, which together with operational expenses and change in IBNR resulted in total expense of \$51,597,293. Revenue and expenses are tracking consistent with budget. Claims appear to be slightly behind budget; however, our experience is that MGARA often experiences a pick up in claims in Q4 due to MGARA attachment points being satisfied as claims mature over the course of the year. The MGARA monthly operations report September 30, 2021 is attached for reference.</p>	
<p>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 Q2.</p> <p>As separately reported, MGARA has decided to convert its reinsurance program to a retrospective model</p>	

MGARA
Balance Sheet
as of 9/30/2021

	2021	2020
Assets		
Cash/Investments (Note 1)	\$97,075,623	\$76,013,041
Assessment Receivable	-	-
Accrued Investment Interest Receivable	615,712	116,285
Allowance for Bad Debts	-	-
Premium Receivable	3,371,877	2,921,311
Grant Receivable	-	-
Claims Receivable	-	-
IBNR Premiums	1,900,000	400,000
Prepaid Expenses	0	0
Total Assets	\$102,963,212	\$79,450,637
Liabilities		
Accounts Payable (Note 2)	\$132,879	\$347,615
Claims Payable	15,003,036	14,582,788
IBNR Liability	15,000,000	14,900,000
Deferred Assessment Liability	-	0
Line of Credit	-	0
Total Liabilities	\$30,135,915	\$29,830,403
Fund Balance	\$72,827,297	\$49,620,234

Statement of Revenues and Expenditures
For the 9 Months Ending September 30, 2021

	Current Month	YTD 2021	YTD 2020	Full Year 2021 Projected*	2021 YTD % of Projected
Revenues					
Regular Assessment	\$8,764	\$14,155,766	\$14,744,353	\$25,000,000	57%
Additional Assessment	-	-	-		
Premiums	3,355,718	26,387,818	28,894,477	31,300,000	84%
Grant Revenue (Note 4)	6,445,717	27,929,948	24,295,734	30,800,000	91%
Change in Premium IBNR	-	-	-		
Gain on Investments	(332,318)	(2,030,270)	(376,285)		
Interest Income	273,356	1,964,034	820,580		
Total Income	\$9,751,237	\$68,407,297	\$68,378,859	\$87,100,000	79%
Total Income excluding Assessments and Grants		\$26,321,583	\$29,338,772	\$31,300,000	84%
Expenditures					
Claims Incurred	\$8,913,417	\$50,779,870	\$47,762,756	\$86,000,000	59%
Change in IBNR	-	-	-		
Administration Fees	61,268	484,912	436,881		
Interest Expense	-	-	-		
Professional Fees (Note 3)	14,426	273,843	398,742	1,100,000	74%
Insurance Expense	-	53,483	42,767		
Bank Charges	906	5,185	8,176		
Other Expenses	-	-	-		
Total Expenses	\$8,990,016	\$51,597,293	\$48,649,322	\$87,100,000	59%
Revenues excluding Assessments and Grants in Excess of Expenditures	\$-5,693,260	\$-25,275,710	\$-19,310,550	\$-56,300,000	45%
Revenues in Excess of Expenditures/ (Expenditures in Excess of Revenues)	\$761,221	\$16,810,004	\$19,729,537	\$0	#DIV/0!
Fund Balance - Beginning		\$56,017,294	\$29,890,698		
Fund Balance - Ending		\$72,827,298	\$49,620,235	\$0	

MGARA
Notes to Financial Statements
as of 9/30/2021

Notes to Financial Statement

Note 1: Schedule of Cash/Investments

Key Bank	\$	829,904
Key Bank Brokerage Acct Money Market		
Key Bank Brokerage Acct Fixed Income		96,245,719
	\$	<u>97,075,623</u>

Note 2: Schedule of Accounts Payable

Administrative fees	\$	104,170
Pre Paid		-
Professional Fees		28,709
Insurance Expense		-
Investment Fees		-
Interest		-
Other Expenses		-
		<u>-</u>
Total Accounts Payable	\$	<u>132,879</u>

Note 3: Professional Fees Expense

	Current Month	Year to Date
Actuarial	\$ -	\$ 131,387
Legal	14,426	111,756
Auditing/Accounting	-	30,700
Investment	-	-
Miscellaneous Expense		
	<u>14,426</u>	<u>273,842</u>
Total Professional Fees	\$ <u>14,426</u>	\$ <u>273,842</u>

Note 4: 2021 Grant Funds

	Draws	Remaining Balance
Beginning Balance		\$ 30,753,631
5/7/2021	\$ 5,369,422	\$ 25,384,209
6/10/2021	\$ 5,451,513	\$ 19,932,696
7/13/2021	\$ 4,039,225	\$ 15,893,471
8/16/2021	\$ 6,624,071	\$ 9,269,400
9/3/2021	\$ 6,445,717	\$ 2,823,683
additional funding 9/21/2021 \$ 8,562,238	\$ -	\$ 11,385,921
10/6/2021	\$ 6,150,425	\$ 5,235,496
11/11/2021	\$ 5,235,496	\$ (0)