

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
November 7, 2022

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

Terry Brann	Jim Lyon (<i>absent</i>)
Dr. David Howes	Bruce Nicholson
Jolan F. Ippolito, Chair	Katherine Pelletreau
Eric Jermyn	Ellen Schneider
Ben Johnston	Bill Whitmore
Kevin Lewis	

Also in attendance were Laren Walker and Diane Kopecky of River 9 (administrator), Chris Howard and Emily Cooke of Pierce Atwood LLP (counsel to the Association), Dave Williams, Sean Hilton, and Jeremy Siborg of Milliman, Inc. (actuary to the Association), and Ben Yardley and Marti Hooper of the Maine Bureau of Insurance (the “Bureau”).

1. Approval of Minutes

The Board reviewed the minutes of the September 26, 2022 Board meeting (the “Minutes”). On a motion duly made and seconded, it was

RESOLVED: To approve the Minutes as presented.

2. Quarterly Operations Report

Mr. Walker presented the Quarterly Operations Report for the period ending September 30, 2022. Assessments and 1332 Grant revenue are on-track, while claims are somewhat high relative to projections. Mr. Williams added that the number of covered lives is significantly lower than projected. A discussion ensued. Among other things, participants discussed whether IBNR is appropriately scoped for 2022, including the risks of unexpected volatility as well as potential mitigating factors.

Mr. Walker noted that an email has gone out to carriers who will become members in 2023 as a result of the market merger changes. He added that MGARA is currently working to engage its auditor for the 2022 audit.

3. Milliman Discussion of YTD Claims Experience and Model Adjustment

Mr. Siborg presented the results of Milliman’s review of MGARA’s most recent claims data, which Milliman is watching very closely. Milliman expects 2022 claims to end close to the re-projection completed in September. The recent claims data based on Q3 reports is consistent with their re-projection. Overall, he said, MGARA is in good shape heading into the end of 2022 although a significant draw down on surplus is now implicated.

Mr. Williams added that MGARA is seeing an unexpected proliferation of members hitting the MGARA attachment point early in the year; Milliman hypothesizes that this reflects high-cost chronic conditions that both hit the attachment point early in the cycle, but also max out of MGARA reimbursement during the year as well.

Participants agreed that the overall update is reassuring, and is directionally consistent with Milliman's report at the Board's September meeting.

4. Update re Amended Plan of Operation

Mr. Howard reviewed the proposed amendments to the MGARA Plan of Operation, as contained in the meeting materials. He noted that these are relatively limited, as the market merger did not necessitate large-scale structural revisions. He did note that the revisions include an entirely new section addressing the high-cost items and services regime, which tracks the statutory requirements. Mr. Howard encouraged all participants to review the updated plan and advise of any comments or questions. A proposed final version will be presented to the Board for final review and approval at its upcoming quarterly meeting.

5. Legal Services RFP

Ms. Ippolito presented the results of MGARA's Legal Services Request for Proposal (RFP), as summarized in the meeting materials. The RFP was distributed on September 1, 2022 to eight Maine-based law firms. The deadline for RFP responses was September 30, and only one response, from MGARA's existing outside counsel Pierce Atwood LLP, was received by the deadline. Ms. Ippolito allowed one additional week to pass to account for any late submissions; none was received.

Ms. Ippolito commented on the fee proposals contained in Pierce Atwood's RFP response, including the recommendation of the Board's working group to select the firm's hourly rate proposal based on the analysis summarized in the meeting materials.

On a motion duly made and seconded, it was

RESOLVED: To engage Pierce Atwood as MGARA's provider of legal services.

Pierce Atwood will provide an updated engagement letter to document the renewed engagement.

At this time, the Milliman and Bureau representatives departed the meeting and the Board entered Executive Session.

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

A handwritten signature in black ink, consisting of a large, stylized letter 'Q' followed by a smaller, more complex flourish.

Duly Authorized Officer