

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
July 17, 2023

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	Ben Johnston
Scott Cremens	Kevin Lewis
Dan Demeritt	Jim Lyon
Dr. David Howes	Bruce Nicholson (absent)
Jolan F. Ippolito, Chair	Ellen Schneider
Eric Jermyn (absent)	Bill Whitmore

Also in attendance was Laren Walker of River 9 (administrator), Chris Howard of Pierce Atwood LLP (counsel to the Association), Dave Williams, Tom Murawski and Jeremy Siborg of Milliman, Inc. (actuary to the Association).

The sole item on the agenda for the meeting was responding to the analysis provided by Milliman in response to the Board’s July 10th request for further analysis of the adjustment to 2024 reinsurance thresholds conditionally authorized by the Board on that date.

Milliman reported to the Board that new information was incorporated in their analysis related to the recently submitted rate filings that changed the results expected from the adjusted reinsurance thresholds conditionally authorized on July 10th. The 2024 trend in claims costs is stronger than anticipated in Milliman’s April analysis, resulting in a substantial reduction in surplus to an unacceptable approximate \$11 million range if the conditional adjustment were instituted.

The Board discussed the results and the consensus was to set the coinsurance rate at whatever level generated the results anticipated in making its July decision – i.e. \$20 million surplus and 460% RBC +/- . Milliman confirmed that leaving the 2024 thresholds as adjusted on May 8th (i.e. \$135,000/\$275,000 and 75% coinsurance) in place would generate approximately \$19.8 million in net surplus as of 12/31/24 and an estimated RBC of 470%.

Based on the foregoing, on a motion duly made and seconded, it was unanimously

RESOLVED: To finalize MGARA’s 2024 reinsurance thresholds at \$135,000/\$275,000 with a 75% coinsurance rate and to direct Mr. Howard to communicate that result to the MBOI.

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 'D' followed by a smaller, more complex flourish.

Duly Authorized Officer