

**MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION**  
**Minutes of the Board of Directors**  
**May 6, 2024**

The special meeting of the Board of Directors of the Maine Guaranteed Access Reinsurance Association (“MGARA” or the “Association”) was held via Zoom meeting at 3:00 p.m. on May 6, 2024. 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
Jolan F. Ippolito, Chair	David Regan
Eric Jermyn	Ellen Schneiter

Also in attendance were Laren Walker and Diane Kopecky of River 9 (administrator), Chris Howard of Pierce Atwood LLP (counsel to the Association), and Jeremy Siborg and Tom Murawski of Milliman, Inc. (actuary to the Association). Also in attendance were Bob Carey, Superintendent of Insurance, and Marti Hooper, Life and Health Actuary with the Maine Bureau of Insurance (the “Bureau”).

There was a single item on the Agenda for the meeting – setting the 2025 reinsurance parameters. Mr. Howard discussed with the Board the preliminary, estimated 1332 Pass-Through Payment amount provided by CMS in recent correspondence to the MBOI and MGARA. The CMS preliminary award was for an amount significantly higher than the Company’s estimate – coming in at \$45,726,151, a significant increase over the \$32 million the Company was carrying for the 2024 grant. That has a significant positive impact on the model. The Milliman representatives provided an update of their model focusing the analysis on the impact of the 2024 grant revenue and how that impacts financials going forward. They also provided a rough estimate of the updated value of MGARA when leveraging the net loss assessment, and resulting surplus levels and RBC ratios. The results of the analysis were reflected in a slide presenting conceptual Income Statements for MGARA as of year end 2024 based on various reinsurance parameters shown below.

It was noted particularly that (i) the CMS 1332 payment amount was preliminary and could change in final form and that Milliman was unable to duplicate the CMS amount through their models and (ii) the 2023 claims run-out was not yet finalized and the IBNR is only an estimate of the remaining claims.

All figures are in millions.

All figures below are projected for 2025 based on calibration with the 2024 CMS grant revenue estimate

### Income Statement

	\$135K/\$275K, 55% coins	\$135K/\$275K, 65% coins	\$135K/\$275K, 75% coins
Year	Proj 2025	Proj 2025	Proj 2025
Reinsurance Parameters			
Approximate Value of MGARA	5%	6%	7%
<b>Revenue</b>			
Regular Assessment	\$27.0	\$27.0	\$27.0
Premiums from Ceded Lives	\$0.0	\$0.0	\$0.0
Grant Revenue	\$37.3	\$43.2	\$49.2
Other	\$0.0	\$0.0	\$0.0
<b>Total Revenue</b>	<b>\$64.3</b>	<b>\$70.2</b>	<b>\$76.2</b>
<b>Expenditures</b>			
Claims Incurred	\$63.8	\$75.5	\$87.2
Fees	\$0.5	\$0.5	\$0.5
<b>Total Expenditures</b>	<b>\$64.3</b>	<b>\$76.1</b>	<b>\$87.7</b>
<b>MLR</b>	<b>99%</b>	<b>108%</b>	<b>114%</b>
Revenue Less Expenditures	\$0.0	(\$5.9)	(\$11.4)
Beginning Surplus	\$32.1	\$32.1	\$32.1
Ending Surplus	\$32.1	\$26.2	\$20.6
RBC Ratio	746%	515%	352%

Extensive discussion ensued. Following discussion on a motion duly made and seconded, it was

RESOLVED: To set MGARA’s 2025 reinsurance parameters at \$135,000/\$275,000 with a 55% coinsurance rate.

At this time, Mr. Nicholson raised the question whether there needed to be a vote on his motion to make a Net Loss Assessment, which had been carried over through several prior meetings. Following a discussion of procedural matters a motion was made and seconded to take the pending motion regarding a Net Loss Assessment of \$2 PMPM off the table. The motion was to make a \$2 PMPM Net Loss Assessment for 2024 based upon 2023 net losses was opened for consideration. Following discussion, by a 6/5 vote it was

RESOLVED: To remove the motion from the table and conduct a vote on the motion.

Extensive discussion ensued regarding the Net Loss assessment motion. Following discussion, by an 11/1 vote, it was

RESOLVED: Not to approve the motion to make a Net Loss Assessment as proposed for the 2024 year based on 2023 net losses.

The board determined there was no need for an 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 'A' with a horizontal stroke that loops back to the left.

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Duly Authorized Officer