

**MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION**  
**Minutes of the Board of Directors**  
**December 23, 2024**

A regularly scheduled 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:

Terry Brann ( <i>absent</i> )	Ben Johnston
Scott Cremens ( <i>absent</i> )	Kevin Lewis
Dan Demeritt	Jim Lyon ( <i>absent</i> )
Dr. David Howes	Bruce Nicholson
Jolan F. Ippolito, Chair	Ellen Schneider
Eric Jermyn	Kate Skouteris

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), and Tom Murawski and Jeremy Siborg of Milliman, Inc. (actuary to the Association); and Bob Carey, Superintendent of Insurance with the Maine Bureau of Insurance (the “Bureau”).

**1. Welcome Kate Skouteris**

The Board welcomed new Board member Kate Skouteris, Vice President of Regional Commercial Markets for Point23Health.

**2. Approval of Minutes**

The Board reviewed the minutes of the October 28, 2024 Board meeting (the “Minutes”). With one correction to the attendance record, on a motion duly made and seconded, it was

RESOLVED: To approve the Minutes as presented.

**3. Operations Report**

Mr. Walker explained that the Operations Report for Q4 2024 is limited at this time, because no new claims have yet been reported. He underscored for carriers the value of reporting claims sooner rather than later to provide to MGARA an accurate and timely picture of claims levels. (He added that most carriers do this anyway, but there are others who seem to hang back.)

Mr. Walker reminded the Board that the High-Priced Items and Services (HPIS) reporting commences in 2025. In response to a question from Mr. Demeritt regarding whether and when the carriers would receive an educational communication regarding the HPIS regime, Mr. Howard noted that this is expected to be circulated in early 2025 once the reporting requirement is in effect.

**4. Discussion of MGARA Future State**

Mr. Howard reported that Milliman has updated its 3-year projection for MGARA’s performance, to afford the Board an updated look at MGARA’s direction in connection with its consideration of future-

state issues. Mr. Howard added that the emphasis of this exercise is less on MGARA's solvency, which can largely be managed through adjustments to the reinsurance parameters, and more on its value to the market. He drew the Board's attention to the meeting materials, including background information on various potential solutions to the challenge of MGARA's declining value that have been raised at the Board level over time, including potential financial, structural, and regulatory solutions.

Mr. Murawski presented the updated projections. He highlighted several shifting market conditions, including expanding market uncertainty in light of the impending change in administration, continuing climbing claims trend in Maine, and the anticipated expiration of enhanced APTC subsidies with the change in administration. He added that the expiration of these subsidies and the resulting reduction in APTCs will have multiple implications for MGARA and further degrade MGARA's value, as shown in Milliman's projections, from a previously projected ~4-4.5% value by 2027 to 3.3%.

Mr. Howard reminded the Board that, historically, the Board has sought to balance an appropriate level of surplus (informed by a target risk-based capital level deemed prudent by the Board) against the objective of maximizing MGARA's value to/impact on the market.

A discussion ensued. Participants observed, among other things:

- The need to educate the public and policymakers on these dynamics, while also recognizing some hurdles to doing so; there was a general consensus that the Bureau has a valuable role to play in communicating these issues to key constituents
- The need to articulate a target "value" for the MGARA program to inform decision-making and facilitate modeling against a concrete target
- The impact of inflation over time on an assessment level that was established in 2011/2012
- The sensitivity of the employer community to potential shifts in their economic obligation, including against the backdrop of the new Paid Family Medical Leave regime
- The reality that the legislative cycle moves quickly relative to the time needed to develop, socialize, and implement solutions

It was agreed to establish a working group to examine these issues and potential solutions on a more targeted and regular basis.

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



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Duly Authorized Officer

