

**MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION**  
**Minutes of the Board of Directors**  
**February 24, 2025**

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

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 and Marti Hooper, Life and Health Actuary, with the Maine Bureau of Insurance (the “Bureau”).

**1. Public Session**

The Public Session of the Board was opened. There being no members of the public present, the Board concluded the Public Session without comment.

**2. Approval of Minutes**

The Board reviewed the minutes of the December 23, 2024 Board meeting (the “Minutes”). On a motion duly made and seconded, it was

RESOLVED: To approve the Minutes as presented.

**3. Board Member Resignation**

Mr. Howard reported that Eric Jermyn has resigned from the Board due to scheduling conflicts with another board he has been called upon to join. Eric occupied the Board’s Producer Member seat, which is filled by Bureau appointment. To that end, Mr. Howard invited Board members to recommend potential candidates for MGARA to share with the Bureau for its consideration. Mr. Howard added that Mr. Jermyn also expressed his willingness to support the process of identifying qualified candidates for the seat.

**4. Operations Report**

Mr. Walker presented the December 31, 2024 Operations Report based on MGARA’s unaudited year-end financials, noting that various items remain subject to change through the audit process. In the unaudited report, year-end cash stood at \$74.2MM, claims payable stood at \$24.6MM, and IBNR stood at \$6.1MM. Mr. Walker emphasized that IBNR is certain to change between now and completion of the audit.

Mr. Walker reported that River 9 continues to work closely with KeyBanc Investments to keep MGARA's investments heavily weighted to short-term instruments to support its cash flow needs. The Association used approximately \$25MM in cash to pay claims in early February, and River 9 will be closely watching the next large swath of claims obligations that will arrive in April.

Mr. Walker walked participants through various highlights of the supplemental information in the Operations Report, including cash flow projections, number of covered lives, claims processed, and the large claims report.

Mr. Walker shared with the Board that he and his family will be relocating to Italy for an expected period of three years in connection with a leadership opportunity within his church organization. He does not anticipate that this geographic move will have an adverse impact on MGARA, adding that River 9 is bringing on an additional colleague who will provide support and coverage to MGARA alongside Mr. Walker and Ms. Kopecky. Mr. Walker added that his intention is to remain involved with River 9's work for MGARA, including attending Board meetings, and that his focus is to ensure that River 9 continues to provide uninterrupted service to MGARA. He encouraged Board members to share any questions or concerns that might arise.

Participants offered their congratulations and best wishes to Mr. Walker on this opportunity.

## **5. Milliman Report**

Mr. Siborg presented Milliman's preliminary report on MGARA's 2024 financial results and IBNR. He explained that the Milliman team generally structured the report similarly to how it has in prior years, while refining the methodology to remove some of the conservatism included in prior years' IBNR estimates based on actual experience in the wake of the market merger and change to a retrospective model.

Mr. Siborg walked participants through Milliman's review of 2023 claims that emerged in 2024. MGARA paid the most claims in 2023 compared with any other year dating back to 2019. This, he explained, was primarily due to (i) the 2023 market merger combining the individual and small-group segments; (ii) rich insurance parameters implying a 15% value for market premiums; and (iii) and recent trend pressure increasing overall claim amounts.

Milliman's updated projections of 2024 IBNR project a \$5.6MM gain, an improvement from the slight loss previously projected; this is largely due to higher-than-expected 1332 Waiver grant revenue and favorable claims experience. Milliman's updated projections now project about \$47.2MM in year-end surplus for 2024, versus a previous projection of \$40.9MM.

Mr. Siborg summarized several takeaways: first, 2024's favorable claims experience may indicate a return to more reasonable trend levels relative to the past few years. Second, the 2025 1332 Grant Waiver amount will be critical to MGARA's planning, yet is dependent on CMS's internal (and non-public) model. Third, MGARA should anticipate various headwinds going forward, including an anticipated drop in 1332 Waiver grant funding starting in 2026 due to the expiration of enhanced PTCs;

impact of merged market distribution and enrollment; the continuing erosion of the value of the \$4PMPM assessment amount; and claims trend.

A discussion ensued.

Participants observed the longstanding challenge that the amount of the 1332 Waiver grant is of critical importance for MGARA, yet the model and means of calculating it is a black box, creating a significant hurdle to proactive planning.

Mr. Carey requested that Milliman share modeling of the impact if MGARA were to draw down various levels of surplus; this information would help inform planning for some of the coming headwinds anticipated in Milliman’s report.

Mr. Howard walked the Board through the timeline for determining reinsurance program parameters for 2026, with a goal of finalizing these at the April annual meeting.

Ms. Schneiter inquired whether any 1332 Waiver grant states are experiencing payment interruptions in their receipt of grant funds, given the current federal landscape. Mr. Walker replied that, other than a 2-day period in which the federal Payment Management System displayed a “Not Available” message, no other issues have arisen so far. He added that MGARA probably needs to proceed, for the moment anyway, on the assumption that the grant funds are coming – but that it makes sense to have a Plan B in the event a payment interruption did occur.

## **6. Update on MGARA Future State**

Mr. Howard briefly reported on the work of the informal MGARA Future State working group, the participants of which include Mr. Demeritt, Mr. Johnston, Mr. Lewis, Mr. Nicholson, Ms. Ippolito, Mr. Carey, Ms. Hooper, Mr. Howard, and Ms. Cooke, with participation from the Milliman team. He explained that the group has been working along several tracks: developing a set of materials to support educating and informing relevant constituencies about MGARA and its future-state challenges; comprehensively examining potential solutions to those challenges, with the objective of identifying the most practical and feasible combination of these; and communicating with the appropriate legislative contacts. Following brief discussion, there was a general consensus to proceed with the presentation of the proposed slide deck at the upcoming HCIFS Committee meeting.

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



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Duly Authorized Officer