

**MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION**  
**Minutes of the Board of Directors**  
**April 8, 2025**

The annual meeting of the Board of Directors of the Maine Guaranteed Access Reinsurance Association (“MGARA” or the “Association”) was held at 254 Commercial Street, Portland, Maine and via videoconference at 3:00 p.m. following the annual member insurer meeting. Attendance is reflected in the record of attendance set forth below:

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

Also in attendance were Laren Walker, James Winfield, 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). Also in attendance were Bob Carey, Superintendent of Insurance, and Marti Hooper, Life and Health Actuary with the Maine Bureau of Insurance (the “Bureau”). Jason Lindstrom and Kailey Holt of Eide Bailly LLP, MGARA’s auditor, and Boris Goldsteyn of KeyBanc Capital Markets, joined the meeting as reflected below.

**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. Annual Member Meeting**

At this time, the Annual Member Meeting was held, the Minutes of which are recorded under separate cover.

**3. 2024 Audited Financial Statements**

Jason Lindstrom and Kailey Holt of Eide Bailly joined the meeting and presented the Association’s 2024 draft audited financial statements (the “Draft Audited Financials”). They noted that, as in past years, the audit identifies that the Association does not have an internal control system designed to provide for the preparation of the financial statements and related disclosures being audited, and as such, MGARA relies on Eide Bailly to prepare its financial statements and related disclosures. Ms. Holt noted one additional finding, the submission of two late quarterly reports to the Centers for Medicare and Medicaid Services (CMS). While this finding is reported in the Draft Audited Financials, it does not modify the auditor’s opinion with respect to the Association’s overall compliance with the terms of the 1332 Waiver grant.

Following brief discussion, the representatives of Eide Bailly left the meeting. At this time, on a motion duly made and seconded, it was

RESOLVED: To accept the Draft Audited Financials as presented, subject to (1) resolution of one outstanding carrier inquiry; (2) implementation of a typographical correction offered by Mr. Walker; and (3) addition to the Draft Audited Financials of the finding related to submission of two late quarterly reports.

Mr. Walker noted that Milliman’s IBNR projections for 2024 proved to be overly conservative by approximately 30%, adding that, while some level of conservatism is understandable, in his experience similar programs target a margin closer to 10%. He expressed the view that it would be healthier to be less conservative and avoid over-reserving – including adjusting the projection methodology if necessary. Mr. Murawski expressed agreement, noting that this topic came up at last year’s annual meeting and that Milliman had refined its 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. Walker noted that, even with these adjustments, 2024 year-end results still suggest that 2024 IBNR projections were ~30% inflated, subject to actual claims runout data.

#### **4. Election of Officers**

Ms. Ippolito presented the slate of officers for election. On a motion duly made and seconded, it was

RESOLVED: To elect the following slate of officers:

Jolan Ippolito – Chair and President  
Ben Johnston – Treasurer  
Chris Howard – Secretary

#### **5. Approval of Minutes**

The Board reviewed the minutes of the February 24, 2025 Board meeting (the “Minutes”). On a motion duly made and seconded, it was

RESOLVED: To approve the Minutes as presented.

#### **6. Conflict of Interest Disclosure Statement**

Mr. Howard reminded Board members to review, execute and return the Conflict of Interest Annual Disclosure Statement, and to contact him with any questions. As always, carrier members need not include ordinary-course reinsurance claim reimbursements in their

disclosure; that relationship is inherent in the design of MGARA and does not, in itself, represent a conflict.

## **7. MGARA Corporate Policies**

Mr. Howard reminded the Board that MGARA has in place Board-approved policies regarding Conflicts of Interest, Reimbursement, Investment, Confidentiality, Whistleblower, Account Control, and Procurement, all of which are included in the meeting materials. Board members are encouraged to review these for familiarity.

## **8. Operations Report – KeyBanc Capital Markets Portfolio Summary**

Mr. Walker reported that the main operations activity at the moment is supporting the audit. An initial look at 2025 claims and the 2024 runout will come later this month, for the Board to review at its May meeting. He added that it has been very helpful to receive CMS's 1332 Waiver grant calculation early in the 2026 planning process, rather than late in the process as occurred last year.

Mr. Walker reminded the Board that he will be relocating to Italy for an expected period of three years in connection with a leadership opportunity within his church organization. He emphasized that his focus is to ensure that River 9 continues to provide uninterrupted service to MGARA. To that end, he introduced his River 9 colleague James Winfield, who will take over the day-to-day operational processes for MGARA. Mr. Winfield's experience includes work as a CPA at several accounting firms and as Director of Finance of Cascadia Healthcare. The Board welcomed Mr. Winfield to the MGARA team.

Mr. Walker introduced Boris Goldsteyn, MGARA's KeyBanc rep. Mr. Goldsteyn presented a current portfolio summary. He explained that MGARA's portfolio is performing very well in the current rate environment, given its emphasis on liquidity. Mr. Howard noted that the current uncertainty and instability associated with federal funding changes has not, as of now, impacted MGARA's federal funds, but that could change. Were that to occur, MGARA's highly liquid portfolio (together with cash flow from regular assessments) would be available to help the Association maintain operations through a year of operations.

Mr. Lyon inquired about MGARA's investment in corporate bonds, given that some companies may be less stable in the current environment. Mr. Goldsteyn replied that MGARA's Investment Policy calls for limiting MGARA's aggregate fixed income portfolio to an overall weighted average quality of A or higher; he added that the maturity of all of these fixed-income investments is very short, further limiting exposure.

At this time, Mr. Goldsteyn left the meeting.

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

Mr. Howard briefly reported on the work of the informal MGARA Future State working group. He thanked Mr. Carey and Ms. Hooper for their support in finalizing and presenting the working group's slide deck at the recent HCIFS Committee meeting. Mr. Howard

reported that it was a very positive presentation, with the members of the HCIFS Committee listening with care and demonstrating a strong desire to fully understand the issues. Mr. Carey added that several bills have been introduced relating to these issues. Mr. Howard suggested that a likely (though not definite) next step might be the establishment of a study group or task force to examine the MGARA future state issues and alternatives in the near-term. Should that take place over the coming summer and produce possible legislation for a vote in the fall, this could result in some clarity for MGARA by the spring of 2026. This sequence would require that MGARA's 2027 planning incorporate the scenario(s) considered most likely, with appropriate caveats in case of change.

#### **10. 2025 Updated Projections; 2026 Reinsurance Parameters**

Mr. Murawski presented updated projections for 2025. He summarized the principal updates from the prior projections, including CMS's lower-than-expected estimate of 1332 Waiver grant revenue, and noted several key sources of uncertainty.

A discussion ensued, including with respect to deviations between projected and actual results and how to minimize such deviations going forward. Mr. Carey observed that this may be aided by real-time data-sharing by the carriers. Mr. Walker noted that in another state where River 9 provides TPA services to a reinsurance carrier, carriers provide non-binding runout estimates in February of each year, to aid in fine-tuning runout projections. Ms. Skouteris offered that an actuarial committee can help bring together the relevant voices and data on an ongoing basis. There was a general consensus to establish an informal committee, including representatives of the carriers' actuarial staff, to help enhance the accuracy and currentness of the data Milliman uses in developing projections.

Mr. Siborg underscored the high degree of uncertainty and volatility that formed the backdrop to the process of making initial projections for 2024.

Participants discussed the risk-based capital concept ("RBC") as applied to MGARA. Mr. Murawski noted that RBC is one means of assessing an insurer's capital adequacy, though it has never been a perfect fit for a reinsurance program like MGARA's, which is inherently subject to more volatility than an insurance program providing first-dollar coverage.

Mr. Murawski next presented a series of alternative scenarios for MGARA's 2026 reinsurance parameters. A discussion ensued, following which it was agreed to reconvene on May 5 to finalize the 2026 parameters, including taking into account any updates to Milliman's modeling of third-quarter claims and updates on 2024 runout. Mr. Murawski encouraged carriers to provide estimates of their own actual claims runout to help inform the process.

#### **11. Report on High-Priced Items and Services (HPIS) Implementation**

Mr. Howard reported that final implementation of the HPIS pilot program will be initiated in early May, to be in place by early July. He added that Milliman and River 9 collaborated

to develop a Repricing Limit Tool for carriers to use to identify the applicable caps. Mr. Howard reminded the Board that because this is starting off as a pilot program, the number of affected APC codes is intentionally limited.

## **12. Legal Services RFP**

Mr. Howard informed the Board that MGARA's legal services contract is up for bid this year. Pierce Atwood will prepare a set of RFP materials, which it will provide to the Board so the Board can run the process.

## **13. Public Interest Members**

Mr. Howard reminded the Board that MGARA's Public Interest Board seats and its Consumer Member seat require appointment by the Superintendent. All of the current Board members in these seats are presently serving beyond their original term, pending Bureau action. While from a governance standpoint those Board members continue to serve until reappointed or replaced with a successor, it is important for that process to advance, as well as to avoid high turnover on the Board all at once. Once the current legislative session finishes, the Bureau plans to work with MGARA to identify replacements, with a priority on those existing Board members who are term-limited.

## **14. Executive Session**

At this time, the Milliman, River 9, 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.



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Duly Authorized Officer