

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
May 5, 2025

A special 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. Attendance is reflected in the record of attendance set forth below:

Terry Brann	Kevin Lewis
Scott Cremens	Jim Lyon
Dan Demeritt	Bruce Nicholson
Dr. David Howes	Ellen Schneider
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”).

1. Minutes of April 8, 2025

The Insurer Members reviewed the minutes of the April 8, 2025 Insurer Member meeting (the “Annual Member Minutes”). On a motion duly made and seconded, it was

RESOLVED: To approve the Annual Member Minutes as presented.

The Board reviewed the minutes of the April 8, 2025 Board meeting (the “Minutes”). On a motion duly made and seconded, it was

RESOLVED: To approve the Minutes as presented. (*T. Brann, S. Cremens, D. Demeritt, D. Howes, and E. Schneider abstaining, not having attended the April 8 meeting.*)

2. MGARA 2026 Reinsurance Parameters

Mr. Howard directed the Board’s attention to Milliman’s updated projections. By way of background, he explained that this update reflects limited change from the analysis presented at the Board’s April 8 meeting, as there has been limited change in data informing the report. River 9 has received some 2024 claims runout, but the bulk of that is likely yet to be submitted. Based on most recent information, the runout is approximately \$5MM, versus Milliman’s IBNR projected range of \$7.9MM-\$9.5MM. The updated materials update the surplus levels to align with the audited financial statements for items like

investment income, etc.; aside from that adjustment, there are no material changes to the primary projections from the April 8 meeting.

Mr. Siborg noted that it would be premature to adjust projected IBNR from the current range before more claims runout comes in. That said, he noted, the updated projections do adjust to incorporate MGARA's audited financials, resulting in an increase in projected surplus of approximately \$1.5MM. As reflected in Milliman's updated slides, he added, the basic illustrative scenarios remain largely unchanged from the prior version reviewed by the Board.

A discussion ensued. Board members discussed how to respond in the (admittedly unlikely) event that federal advanced premium tax credits ("APTCs") were to be extended, given that Milliman's projections assume the expiration of APTCs. Mr. Siborg noted that many states are requiring dual filings, reflecting both extension and expiration of APTCs. It was generally recognized that an extension of APTCs would require MGARA to abruptly pivot to incorporate this change into its parameters. Mr. Howard noted that when the 2026 reinsurance parameters are communicated to carriers and other stakeholders, it can also be communicated that any late-breaking developments with respect to APTCs will be considered to the extent feasible.

In response to a question from Mr. Demeritt, Mr. Howard confirmed that MGARA's statutory net loss assessment authority is not available in 2025 based on the Association's 2024 results.

Mr. Howard invited Milliman's perspective on individual and small-group enrollment in 2026. Mr. Siborg replied that this remains quite speculative at this early stage, but noted factors such as the impact of ICHRA's and level funding (especially for healthy groups) on enrollment patterns, as well as the demographics and morbidity of groups that remain in the small-group market following reductions in the size of the market.

Mr. Siborg briefly previewed illustrative scenarios for 2027.

Following brief additional discussion, on a motion duly made and seconded, it was

RESOLVED: To set MGARA's 2026 reinsurance parameters at \$135,000/\$275,000 with a 60% coinsurance rate.

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



Duly Authorized Officer

