

MAINE GUARANTEED ACCESS REINSURANCE ASSOCIATION
Minutes of the Board of Directors
August 25, 2025

A regular 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. on August 25, 2025. Attendance is reflected in the record of attendance set forth below:

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

Also in attendance were James Winfield and Diane Kopecky of River 9 (administrator), Chris Howard of Pierce Atwood LLP (counsel to the Association), and Fritz Busch and Jeremy Siborg of Milliman, Inc. (actuary to the Association). Also in attendance were Bob Carey, Maine Superintendent of Insurance (the “Bureau”).

1. Minutes of May 5, 2025. The Board reviewed the minutes of the May 5, 2025 Board meeting (the “Minutes”). On a motion duly made and seconded, it was

RESOLVED: To approve the Minutes as presented.

2. Operations and Financial Update Q2 Report. James Winfield reviewed the MGARA Operations report for Q2. There was limited activity in the first two quarters. The balance sheet remained relatively static with total assets of \$61,782,808, total liabilities of \$18,989,076 and fund balance of \$42,793,733. Total revenues year-to-date were \$8,194,057, with assessment revenue of \$6,850,662 and the balance generated by interest income. Assessments are tracking on plan. Expenses were slightly behind plan, but not at a surprising level as the first half of the year is generally a quiet period from a claims perspective – claims expense was \$15,228,908 for Q2 and \$18,421,108 YTD. Revenues in Excess of Expenditures/Expenditures in Excess of Revenues were negative \$7,990,444 for Q2 and negative \$10,722,454 YTD. The report concluded with review of the Fund Balance YTD of \$42,793,732.

Mr. Howard introduced Fritz Busch, FSA, MAAA and Principal and Consulting Actuary at Milliman, who has taken over Tom Murawski’s role with MGARA. Mr. Busch provided a brief review of his background and experience. Jeremy Siborg provided some commentary regarding development of MGARA’s 2024 results following submission of the 2024 claims run-out. He indicated there would be a slight increase in surplus vs projection, if the reserved claims to be finally submitted in September are consistent with expectation. He reported that 2025 projections remain reasonable considering claims development year-to-date. Mr. Siborg indicated that rate filings for 2026 reflect substantial increases and suggest there may be a slight negative to surplus. Superintendent Carey

commented that the decline in small group market could actually be a positive due to a neutral impact on 1332 funding and a reduction in the population making claims.

3. **Early Assessment of HPIS Reporting.** Mr. Howard reported on the implementation of the HPIS program. He indicated that the HPIS reporting had been received and the list of providers receiving reimbursements in excess of the HPIS limit have been posted to the MGARA web site, and includes all major providers in the state, as expected.

4. **Update re MGARA Future State – MBOI Stakeholder Group.** Mr. Howard invited the Superintendent to comment on his plans for the assembly of a stakeholder group to study the MGARA model and maintaining or increasing its value to the market in response to the formal request made by the HCIFS Committee. He reported that he was in the process of identifying participants for the group. He is planning between 1-4 meetings, with an emphasis on financing and structure of MGARA. The Bureau has retained Wakely to perform an analysis of potential financial or structural changes.

5. **Legal RFP Update.** Mr. Howard reported that this year an RFP for legal services is required. He indicated that he would provide the form for the RFP to the Chair for distribution and submission, consistent with prior year process. The process should produce results for board review in October or November.

6. **Board Reappointments.** Mr. Howard discussed with the Board and the Superintendent the need to address reappointments to the public members of the Board and to replace members whose term has expired.

7. **Quarterly Board Schedule.** The Board discussed shifting to a quarterly meeting schedule to match with the cycle of claims reports and schedule the meetings so as to have quarterly claims submission results received and reviewed prior to each meeting. Following discussion, the Board directed Mr. Howard to develop a quarterly meeting schedule.

8. **Executive Session.** At this time, the Milliman, River 9, and Bureau representatives departed the meeting and the Board entered Executive Session. Following Executive Session, there being no further business to come before the Board, the meeting was adjourned.

Christopher E. Howard

Duly Authorized Officer