

FINAL

MASSACHUSETTS MEDICAL MALPRACTICE
REINSURANCE PLAN
GOVERNING COMMITTEE

Minutes of a Meeting Wednesday, February 12, 2014

A Meeting of the Governing Committee of the Massachusetts Medical Malpractice Reinsurance Plan (“MMMRP”; the Plan) was held at its executive offices, 95A Turnpike Road, Westborough, MA 01581.

The following members were present:

William T. McGrail, Chairman
Richard W. Brewer
Gerald J. Cassidy
Jill A. Gold
Peter Robertson, Esq.

The following MMMRP Staff/Consultants/Sub-Committee members were present:

Robin M. Ward, Director of Administration
Eric Piurkowski, CPA, CFO
James R. Bacon, Investment Committee Chairman (*via conference call*)
Robert White, Legislative Agent (*via conference call*)

Others present:

Gerald Condon, Department of Insurance

1. Call to Order

Mr. McGrail called the meeting to order at 10:30AM. Ms. Ward kept a record of the proceedings.

2. Quorum and Notice

Mr. McGrail stated that all committee members were in attendance and that a quorum was present at the meeting. Mr. McGrail reported that the required notices for the meeting had been sent to the Secretary of State, Executive Office of the Administration and Finance, and the Division of Insurance and placed on the Plan's website.

3. Minutes of Prior Meeting

Mr. McGrail noted the minutes to the previous meeting of November 13, 2013 had been distributed to all in attendance. Mr. McGrail made a **motion** to accept the minutes as presented, Mr. Cassidy seconded the motion. The motion passed unanimously.

4. Quarter 4 – 2013 Financials & Report on ongoing Department of Insurance Examination – Eric Piurkowski, CPA CFO

Mr. Piurkowski reviewed the Quarter 4-2013 financials; a copy is included with these minutes. He began by reviewing the balance sheet and stated that the cash accounts; which include the checking, savings accounts and cash equivalents; which are held in our bond and ETF portfolio were \$2.4M. There was \$11.8M in bonds and \$5.2M in equities making the total cash and investments including a small accrued interest receivable of \$111K made the total assets at year end \$19.5M. He then continued to discuss liabilities stating that the total reserves were \$21.6M, which he stated had a decrease of \$1.4M from 2012. He continued to review the income statement and highlighted the total premium earned for the year was \$1.5M which was about \$580K less than projected and the total incurred losses were \$575K.

He updated the Committee on the ongoing State Auditors Examination stating that he had spoken with the examiners and that they should be finished with their exam in April 2014. Mr. Piurkowski told the members that we leased office space on the third floor for the examiners due to limited space in the HMIC/MMMRP office. Mr. Piurkowski also stated that the Plans financial audit was finishing up as well.

5. Summary of FY 2013 Investments – James R. Bacon, Investment Committee Chairman
(via conference call)

Mr. Bacon joined the meeting via conference call. He began by discussing his handout titled “Review of Investments”; a copy is included with these minutes. Highlights of his discussion were; Global Economies and Markets; Macro Factors, which included China and his personal experience traveling there. He stated that he believes interest rates will increase, especially on mortgages and that the biggest investment in development in the last 3 or 4 years has been on construction of rental housing.

6. Beacon Hill Beat – Robert F. White, Legislative Agent, (conference call)

Mr. White joined the meeting via conference call. He gave his opinion on the upcoming state wide office elections; the new mayor of Boston and what he believes the new legislature will look like after the next election.

7. Other Business

Mr. McGrail told the Committee that HIC Hospitality Insurance Company; the Plans landlord, is in the process of purchasing a building in Hopkinton, MA, the Plan will be moving with HIC. He also stated the next Operations and Audit Committee meeting will be on Tuesday May 6, 2014 at the Andover Inn followed by the Annual and Governing Committee meetings on Wednesday May 7, 2014.

8. Adjournment

A **motion** was made to adjourn the Governing Committee meeting at 12:05PM. The motion passed unanimously.

A true record transcribed on March 6, 2014

MMMRP Chairman/Officer