

FINAL

MASSACHUSETTS REINSURANCE PLAN
GOVERNING COMMITTEE

Minutes of a Meeting Wednesday November 9, 2016

A Meeting of the Governing Committee of the Massachusetts Reinsurance Plan (“MRP”; the Plan) was held at the Executive offices of the Massachusetts Reinsurance Plan, 106 Southville Road, Southborough, MA 01772 @ 10:30AM.

The following members were present:

William T. McGrail, Chairman
Richard W. Brewer
Gerald J. Cassidy
Jose Zorola
Peter Robertson, Esq.

The following MRP 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*)
Joseph Duffy, Operations & Audit Committee MRP

William Pomponi, Crowe Horwath (*via conference call*)
Steven Nestico, Crowe Horwath (*via conference call*)
Robert White, Robert White Associates (*via conference call*)
Cara Toomey, Esq., Division of Insurance

1. Call to Order

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

2016 Audit Plan Presentation – Crowe Horwath

Mr. Pomponi Senior Manager on our account from Crowe Horwath began by introducing himself and Mr. Steve Nestico as Audit Manager. Mr. Nestico began by reviewing the Services Provided; Service Team; 2016 Engagement and Fees, Mr. Brewer asked how the audit fees compare to prior years, Mr. Piurkowski stated that the Audit of the Plan fee has increased \$500.00 from last year; Mr. Pomponi stated that he believes the tax fees have increased slightly from last year although he has not seen the exact amount. Mr. Pomponi continued reviewing the Engagement Management and Timeline and the areas of Audit Emphasis. Mr. Pomponi answered questions regarding ETF's with bond portfolios; Cyber security and the requirement for Partners to rotate off the Audit Team.

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 August 10, 2016 had been distributed to all in attendance. Mr. Robertson made a *motion* to accept the minutes as presented. Mr. Cassidy seconded the motion. The motion passed unanimously.

4. Quarter 3– 2016 Financials– Eric Piurkowski, CPA CFO

Mr. Piurkowski reviewed the Quarter 3-2016 *unaudited* 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 were \$2.5M as of 09/30/2016. There is \$6 M in bonds; and \$5.2M in equities. Total investments of \$11.2M, making the total assets with cash \$14.3M. Mr. Piurkowski continued by reviewing the income statement highlighting the computer expenses were up over budget by \$13K; stating that Netlogic provided a new server and backup drive and we also had a much needed upgrade to our accounting software which is Solomon accounting software. Mr. Piurkowski answered questions from Committee members.

Mr. McGrail asked Mr. Bacon to give an over view to the Governing Committee of the Investment Committee meeting that was held earlier in the day. Mr. Bacon stated that we introduced a new procedure to look at the transactions we had done in prior periods; how they have performed and how they would have performed had we not done the transaction. He continued by stating that the Committee decided to invest \$600K that will increase the equity ratio to 42%. Mr. Bacon answered questions from Committee members.

Mr. McGrail noted that all in attendance have a copy of the Policies in Force report; Summary of Ceded Premium report and the Summary of Ceded Policies Written report through 09/30/2016. A copy is included with these minutes.

5. “What Just Happened – Robert F. White, Robert White Associates, Inc.

Mr. White joined the meeting via conference call. Mr. White talked about results of the presidential election and how unprepared people were for the outcome. He stated that he has never seen anything like it in his life, stating that he wished he had more insight. Mr. White continued by stating that it’s a whole new world out there that he feels needs to be closely monitored. Mr. McGrail asked about the open appointment at the Supreme Court and that the Republicans may have control of all three branches of government. Mr. White said we will have to wait and see and watch the developments. Mr. McGrail asked about the ballot questions were there any surprises; Mr. White stated that the Charter Schools not being approved is a big setback for the Governor and the Unions demonstrated their power and it was a consolidated Union effort to defeat question 2.

Mr. McGrail gave regards to Patty White and Mr. White thanked him and stated that she is doing well and on the mend.

6. Other Business

Mr. Cassidy stated the budget for 2017 is due. Mr. Piurkowski stated that we would have a conference call with the Operations and Audit Committee to review the 2017 budget in early December.

7. Adjournment

A **motion** was made to adjourn the meeting at 11:50AM; the motion passed unanimously.

8. Tour of New Offices

Mr. McGrail brought all in attendance on a tour of the Plans new offices.

A true record transcribed on December 2, 2016

MRP Chairman/Officer