

Final

MASSACHUSETTS REINSURANCE PLAN
GOVERNING COMMITTEE

Minutes of a Meeting Friday November 9, 2018

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 @ 9:00AM.

The following members were present:

William T. McGrail, Chairman
Peter Robertson, Esq., Vice Chairman
Renee M. Jones, Esq., Member
Jose Zorola, Treasurer
Margaret Bronneck, Esq., Secretary

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

Eric Piurkowski, CFO, CPA
Robin M. Ward, Director of Administration, MRP
William Pomponi, Crowe Horwath (*via conference call*)
Glenn Saslow, Crowe Horwath (*via conference call*)
Steve Nestico, Crowe Horwath (*via conference call*)

1. Call to Order

Mr. McGrail called the meeting to order at 9:00AM. Mr. McGrail called for a 15minute recess, the meeting reconvened at 9:15AM. Ms. Ward kept a record of the proceedings.

2. Quorum and Notice

Mr. McGrail stated that all Committee members were present and in person 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, 2018 had been distributed to all in attendance. Mr. Robertson made a *motion* to accept the minutes as presented. Ms. Jones seconded the motion. The motion passed unanimously.

4. Quarter 3 – 2018 Financials– Eric Piurkowski, CPA CFO

Mr. Piurkowski began discussing the balance sheet portion of the financials; a copy of which is included within these minutes. He stated that as of 09/30/2018 there is \$1.1M in the Clinton Savings Bank and cash equivalents (money market) were \$750K and that total cash and cash equivalents were \$1.9M. Mr. Piurkowski stated that there is a Premium Receivable of \$1M due to a timing issue with payment from a ceding company. Mr. Piurkowski stated that as of 9/30/2018 we had \$8.3M in bonds and \$5M in equities. He continued by reviewing the income statement and answering questions from Committee members.

A *motion* was made by Mr. Robertson to accept the unaudited financials as presented and seconded by Ms. Jones. The motion passed unanimously.

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 9/30/2018. A copy is included within these minutes.

5. Review of Audit Plan – Crowe Horwath

Mr. Saslow, Mr. Pomponi and Mr. Nestico joined the meeting; a copy of their 2018 Year-End Audit Plan was distributed to all in attendance and a copy is included within these minutes. Mr. Pomponi began reviewing the Audit Plan and timeline, he continued with the Service Team; which is the same as last year and the audit cycle. He stated the audit

fee increased 2.6% from last year and the tax preparation \$11K. Mr. Nestico then discussed the areas of Audit Emphasis and Discussion Items. He noted the adoption of new accounting guidance includes; Income Tax Reform – INT 2018-03 and Exchange-traded funds with bond portfolios.

Ms. Bronneck asked what type of information the Plan stores on claim files, Mr. McGrail stated reserves also a report of Ms. Geraldine Foley who performs an audit on the claims.

Ms. Bronneck then asked what Information Technology portion is looked at during the audit. Mr. Pomponi stated they perform a review around the controls of the system; security, passwords and back-ups. Mr. Piurkowski noted that the Plan uses a third-party vendor, Netlogic who is the Plan's IT service provider.

A *motion* was made by Mr. Robertson and duly seconded by Mr. Zorola to approve the 2018 Audit Plan as presented; the motion passed unanimously.

6. New Web Site Debut

Ms. Ward began by showing Committee members the Plan's new web-site and asking for any input/suggestions on changes or additions the Committee would like to see. Ms. Jones and Mr. Piurkowski made a few recommendations.

7. Report of on-going DOI examination

Mr. McGrail began by discussing the on-going Division of Insurance examination of the Plan. He stated that we have received a “draft” of what they provide for their report, he noted that under their comments section the only comments were regarding Unclaimed Property and an email vote of the Investment Committee. A discussion ensued between Committee members. Mr. McGrail stated that they hope to be done with their examination by the end of the year.

8. Other Business

Mr. McGrail, Mr. Robertson and Mr. Piurkowski excused themselves from the meeting as Mr. Zorola, Ms. Bronneck and Ms. Jones discussed the rental agreement between MRP and HIG which HIG approved and provided at its meeting. It was decided to table the discussion on the agreement for the 1st or 2nd week of December.

9. Adjournment

There being no other business to come before the Governing Committee a *motion* to adjourn the meeting was made; it passed unanimously.

A true record transcribed on December 3, 2018

A handwritten signature in black ink, appearing to be "W. H. M.", written over a horizontal line.

MRP Chairman/Officer