

MASSACHUSETTS
REINSURANCE PLAN

ANNUAL MEETING
May 2, 2019

Minutes of the Annual Meeting

The Annual meeting of the Massachusetts Reinsurance Plan ("MRP" or the "Plan") was held at The Andover Inn, 4 Chapel Avenue, Andover, Massachusetts on Thursday May 2, 2019 @ 9:30AM.

The following Governing Committee members were present in person:

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

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

Robin Ward, Director of Administration
Eric Piurkowski, CPA, CFO
James Bacon, Investment and Operations Committees
Joseph Duffy, Audit Committee
Geraldine Foley, Esq., Claims Auditor
William Pomponi, Crowe
Glenn Saslow, Crowe
Richard W. Brewer, Audit Committee
Gerald Cassidy, Operations Committee
Robert White, Legislative Agent

Others present:

Matthew Mancini, Esq., Division of Insurance
Gretchen Ruoff, CRICO Strategies
Sean Logue, CRICO Strategies

1. Call to Order

Mr. William McGrail called the meeting to order at 9:30 AM. Ms. Ward kept a record of the proceedings.

2. Quorum and Notice

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

3. Approval of Previous Annual Meeting Minutes May 3, 2018

Mr. McGrail noted the minutes to the previous Annual Meeting dated May 3, 2018 had been distributed. A *motion* was made by Mr. Robertson and duly seconded by Mr. Zorola to approve the May 3, 2018 Annual Meeting minutes as presented. It passed unanimously.

4. Report of Financial Condition (December 31, 2018) – Crowe – William Pomponi, Senior Audit Manager and Glenn Saslow, Audit Partner

Mr. Saslow began by stating that they met yesterday May 1, 2019 with the Audit Committee and reviewed their audit results in detail; a copy of which is included within these minutes. He stated that there are two parts to their presentation, first is their normal presentation and second part is a copy of the audited financial statements. He began reviewing the agenda; service team, timeline and the Identified risks, testing and risk assessment related to the audit.

Mr. Pomponi reviewed financial highlights noting that there was a pretty big drop in the surplus in 2018 due to large losses that were paid out related to older years. Mr. Pomponi stated that there was some growth in the written premium and incurred losses were at \$5.8M this year which was higher than normal. He continued reviewing the audit report noting discussion items section:

- Tax Reform and Application of RP 2019-06
- 2018 Net Operating Loss
- Valuation Allowance
- NAIC updated on Horizon

Mr. Pomponi reviewed the other communications tab of his report stating that there are three letters one the Auditors Qualifications letter; which is required to file with the State an Internal Control letter and finally an Ending Auditor Communications letter Weaknesses letter also required to file with the state. Mr. Pomponi answered questions from attendees.

5. Report of the Audit Committee – Margaret Bronneck, Esq., Chairperson

Ms. Bronneck began by stating that at the meeting of the Audit Committee; Mr. Pomponi and Mr. Saslow gave a detailed review of their report to the Committee and answered

questions as needed, that it was a clean statutory opinion. Ms. Bronneck noted that Mr. McGrail, Mr. Piurkowski and Ms. Ward left the Audit Committee meeting during the Executive Session portion. A *motion* was made by Mr. Zorola and duly seconded by Mr. Robertson to accept the audit report as presented. It passed unanimously.

6. Medical Malpractice in America a 10-year Assessment with Insight – Gretchen Ruoff, Sr Program Director, Pt Safety Services, CRICO Strategies, Boston, MA

Ms. Ruoff distributed her handout to all in attendance; a copy of which is included within these minutes. She began by discussing her career process leading to CRICO and introducing her finance colleague Mr. Sean Logue. Ms. Ruoff noted that CRICO gets about 200 claims per year, which has been very consistent. She stated that for about 40 years CRICO has been coding and analyzing their 200 cases a year to try to better understand them in terms of the drivers of the cases. Bring back to the hospitals they (CRICO) insure and advise them from a patient safety prospective. She stated the she works for CRICO Strategies which is a small division of the company. Ms. Ruoff stated that with the Strategies division they share their tools but also receive data to have a broader pool to understand. She stated that they have relationships with about 400 additional hospitals throughout the country and 180K physicians contributing data to their data base. Ms. Ruoff gave a background on the information they receive which now has about 400K cases at this point and grows at about 8 to 10K cases per year. She reviewed her presentation in detail and answered questions from attendees.

A recess was taken for 10 minutes.

7. Report of the Investment Committee – James R. Bacon, Chairperson

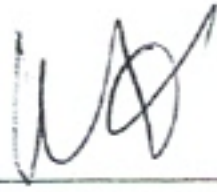
Mr. Bacon distributed a handout titled “Annual Investment Committee Report – 2018”; a copy of which is included within these minutes. Mr. Bacon stated that the status of the Plan’s investments is strong. Mr. Bacon stated what we can expect:

- US growth & Corporate earnings continue, but at lower rate Non-US growth recovers – especially in Asia/China
- Interest rates & inflation stable/rising – globally
- Market asset returns 2-8%
- Flashing amber light: debt risk continues to escalate
- 2020 US election – policy controversies, but little fundamental change amid relative & improving prosperity & polarity

8. Public Comment & Adjournment

There being no other business or public comment to address a *motion* was made by Mr. Robertson and seconded by Mr. Zorola to adjourn the Annual meeting at 11:30AM; it passed unanimously.

A true record transcribed by Robin M. Ward on May 13, 2019.

A handwritten signature in black ink, appearing to be the initials 'RW' with a stylized flourish.

MRP Officer