

FINAL

MASSACHUSETTS REINSURANCE PLAN
GOVERNING COMMITTEE MEETING

Minutes of a Meeting Thursday May 7, 2020

A Meeting of the Governing Committee of the Massachusetts Reinsurance Plan ("MRP"; the Plan) was held *remotely via conference call* at the Executive offices of the Massachusetts Reinsurance Plan, 106 Southville Road, Southborough, MA 01772 @ 11:30AM.

The following members were all *participating remotely*:

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

The following MRP Staff/Consultants/Sub-Committee members *participated* remotely:

Eric Piurkowski, CFO, CPA (*in person*)
Robin M. Ward, Director of Administration (*in person*)
James R. Bacon, Investment Committee Chairman

1. Call to Order

Mr. McGrail called the meeting to order at 11:30AM. Ms. Ward kept a record of the proceedings.

2. Quorum and Notice

Mr. McGrail stated that all Committee members were participating remotely, and COVID-19 protocols and requirements were followed. A quorum was present due to the new participation in person rules. 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. Mr. McGrail also stated that this would be a roll call meeting.

3. Minutes of Prior Meeting February 14, 2020

Mr. McGrail noted the minutes from the previous meeting of February 14, 2020 had been distributed to all participating remotely. A copy of which is included within these minutes. Mr. Robertson made a *motion* to accept the minutes as presented and duly seconded by Ms. Jones. The motion passed unanimously

Roll call vote:

Mr. Zorola – yes

Mr. Robertson – yes

Ms. Jones – yes

Ms. Bronneck – yes

Mr. McGrail - yes

4. Quarter 1– 2020 Financials & Proposed Budget 2020– Eric Piurkowski, CPA CFO

Mr. Piurkowski began discussing the balance sheet portion of his financials, a copy had been distributed to all participating remotely; and a copy is included within these

minutes. Mr. Piurkowski stated that as of 3/31/2020 we had \$1.5M in Clinton Savings bank and \$214K in cash equivalents. He continued by stating that there is \$9.8M in bonds and \$4.9M in equities. Mr. Piurkowski continued stating that the premium receivable is down from Q1 to \$388K.

Mr. Piurkowski stated that Mr. McGrail and he had a meeting with MAG Mutual regarding membership, answered questions, but have yet to have any participation. Mr. Piurkowski continued reviewing the financials and answered questions from committee members.

A *motion* was made by Mr. Robertson to accept the unaudited financials as presented; Mr. Zorola seconded the motion. It passed unanimously.

Roll Call Vote:

Mr. Robertson – yes

Mr. Zorola – yes

Ms. Jones – yes

Ms. Bronneck – yes

Mr. McGrail – yes

Mr. McGrail noted that all have a copy of the Policies in Force report; Summary of Ceded Premium report and the Summary of Ceded Policies Written report through 03/31/2020. A copy is included within these minutes, questions were asked and answered. Mr. Robertson noted that the ceding's have dropped from Q1-2020, Mr. Zorola stated that there are two new Insurance companies (Mag Mutual & Pro Assurance) in the market and that might be while the ceding's have dropped slightly.

5. Report of Investment Committee, James R. Bacon, Chairperson

Mr. Bacon stated that all participating remotely have his handout; a copy of which is included within these minutes. He began by reviewing his Investment Summary and discussing the state of the economy following his Investment Committee meeting earlier today, stating that the market is up almost 300 points, so the atmosphere is good for this. Mr. Bacon stated that we de-risked the portfolio in two or three stages in the last year and a half. We had asset preservation shifting from equities into fixed income. Mr. Bacon noted that we had a record return last year driven by equities. This year though it does not feel like it is pretty modest over all for the total Plan. Mr. Bacon noted that we have a new bond manager I+R&M. Mr. Robertson asked what the current unemployment rate is, Mr. Bacon stated that he has not seen the unemployment rate, but there are 35M people. Mr. Piurkowski answered by stating that it is at 17%. Mr. Bacon continued reviewing his handout and discussing the current trends and investments. He answered questions from committee members.

A motion was made by Mr. Robertson to except the Investment Report as presented and seconded by Ms. Bronneck, it passed unanimously.

Roll call vote:

Ms. Jones – yes

Ms. Bronneck – yes

Mr. McGrail – yes

Mr. Robertson – yes

Mr. Zorola - yes

6. Other Business

Mr. McGrail stated that earlier at the Operations Committee meeting it was brought up by Mr. Zorola to give the ceding companies more flexibility in receiving premium, he stated that we will accommodate and allow more flexibility for their needs and whatever is needed in the healthcare market to get through this epidemic. A discussion ensued on a case by case basis as to premium being returned due to the lack of elective procedures.

Ms. Bronneck raised an issue regarding being reappointed to the Governing Committee, because of the COVID-19 restrictions she is unable to be sworn in in person. Mr. McGrail stated that we will follow up on our side with the help of our Legislative Agent Mr. Robert White. Mr. Robertson also stated that he would look into this as well.

7. Public Comment

There being no public comment.

8. Adjournment

Mr. Robertson made a motion to adjourn the Governing Committee meeting at 12:05PM, Ms. Bronneck seconded the motion; it passed unanimously.

Roll call vote:

Ms. Jones – yes

Mr. Robertson – yes

Ms. Bronneck – yes

Ms. Zorola – yes

Mr. McGrail - yes

A true record transcribed on June 18, 2020

A handwritten signature in blue ink, consisting of several stylized, overlapping loops and lines, positioned above a horizontal line.

MRP Chairman/Officer