

FINAL
MASSACHUSETTS
REINSURANCE PLAN

AUDIT COMMITTEE MEETING

Minutes of Meeting

May 6, 2021 @ 10:30AM

An Operations & Audit Committee meeting of the Massachusetts

Reinsurance Plan (“MRP”; “The Plan”) was held at the Plans executive offices at 106 Southville Road, Southborough, MA 01772. This meeting was held remotely via zoom

The following committee members were participating remotely *via zoom*:

Margaret Bronneck, Esq, Chairperson
Joseph Duffy
Renee Jones, Esq
Richard W. Brewer

The following MMRP staff/consultants were present or participating remotely:

William T. McGrail, President
Robin Ward, Director of Administration
Eric Piurkowski, CPA, CFO, *via zoom*
Steve Nestico, Senior Audit Manager, Crowe, *via zoom*
William Pomponi, Lead Audit Signing Executive, Crowe, *via zoom*

1. Call to Order

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

2. Quorum and Notices

Ms. Bronneck noted that a quorum is present with all committee members participating remotely and that this would be a roll call vote meeting. Ms. Bronneck 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.

3. Approve prior minutes from May 7, 2020 meeting

Ms. Bronneck stated that all committee members have a copy of the prior minutes. Mr. Duffy made a *motion* to approve the minutes from May 7, 2020 as presented; Ms. Jones seconded the motion. It passed unanimously.

Roll Call vote:

Ms. Jones – Yes

Ms. Bronneck – Yes

Mr. Duffy – Yes

Mr. Brewer - Yes

4. Receive Report of Independent Auditors – Crowe
William Pomponi, Partner
Steve Nestico, Senior Audit Manager

Mr. Pomponi distributed electronically the Audit report to all; a copy of which is included within these minutes. Mr. Pomponi reviewed the agenda, audit results, audit team, timeline, results of services and required communications, noting that no material weaknesses or matters were noted, he stated that it was a very clean audit and noted that Mr. Piurkowski and staff did a great job. Mr. Pomponi continued stating that they use specialists during the audit;

Willis Towers Watson for actuarial review on unpaid loss and loss adjustment expense reserves and Crowe's independent pricing desk to provide certain valuation services related to the Investment portfolio. Crowe IT Assurance performed walkthroughs of IT key controls and any updated in the information technology internal control structure. He continued stating that 2020 assets were \$20.8M; Liabilities were \$19M with \$1.7M in members surplus.

Mr. Nestico continued reviewing the audit results in detail. He reviewed fraud considerations stating that none were noted. Mr. Nestico began reviewing the financial portion of the audit presentation. He noted that independent auditors report is a clean opinion. Mr. Nestico continued reviewing the financial portion stating that the balance sheet is unchanged. Mr. Duffy asked about the significant dropped in premiums assumed from 2019, Mr. Piurkowski stated that because of COVID-19 the Plan saw a drop in premium due to less surgeries and more endorsements. Nestico continued reviewing the financials highlighting the state of the investment portfolio and the activity through the unpaid losses and noted that there were no differences between the annual statement and the accompanying statutory financial statements as filed with the Division. Mr. Nestico stated that Note 9 – Risks and Uncertainties is a new foot note to the report and is due to the pandemic. Mr. Nestico answered questions from Committee members.

Mr. Brewer made a *motion* to accept the audit report as presented, Mr. Duffy seconded the motion; it passed unanimously.

Roll Call Vote:

Ms. Bronneck – yes

Ms. Jones – yes

Mr. Brewer – yes

Mr. Duffy – yes

5. Other Business

There being no other business to come before the committee.

6. Adjournment

Mr. Duffy made a *motion* to adjourn, it was seconded by Mr. Brewer the meeting at 11:05AM. It passed unanimously.

Roll Call Vote:

Ms. Bronneck – yes

Ms. Jones – yes

Mr. Duffy – yes

Mr. Brewer - yes

Transcribed by Robin Ward on June 3, 2021



MMMRP Audit Committee