

FINAL

MASSACHUSETTS REINSURANCE PLAN
GOVERNING COMMITTEE MEETING

Minutes of a Meeting Friday February 11, 2022

A Meeting of the Governing Committee of the Massachusetts Reinsurance Plan (“MRP”) was held *remotely* at the Executive offices of the Massachusetts Reinsurance Plan, 106 Southville Road, Southborough, MA 01772 @ 11:00AM.

The following members were all participating:

William T. McGrail, Chairman (*in person*)
Richard W. Brewer Member (*Zoom*)
Jose Zorola, Treasurer (*Zoom*)
Margaret Bronneck, Esq., Secretary (*Zoom*)
Peter Robertson, Esq., Vice Chairman (*Zoom*)

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

Eric Piurkowski, CFO, CPA (*in person*)
Robin M. Ward, Director of Administration (*in person*)
James R. Bacon, Investment Committee Chairman (*Zoom*)
Peter Kiely, Chairman Emeritus Investment Committee (*Zoom*)
Matthew Mancini, Esq., DOI (*Zoom*)

1. Call to Order

Mr. McGrail called the meeting to order at 11:00AM. Ms. Ward kept a record of the proceedings.

2. Quorum and Notice

Mr. McGrail stated that four Committee members were participating remotely and one in person, a roll call of members was performed, and COVID-19 protocols and requirements were followed. A quorum was present. 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 stated that this would be a roll call meeting.

3. Approval of Minutes, Governing Committee meeting November 10, 2021

Mr. McGrail noted the minutes from the previous Governing Committee meeting held on November 10, 2021 had been distributed to all participating remotely. A copy of which is included within these minutes. Mr. Brewer made a *motion* to accept the minutes as presented and duly seconded by Mr. Robertson. The motion passed by four votes.

Roll call vote:

Mr. Robertson – yes

Mr. Brewer – yes

Ms. Bronneck – yes

Mr. McGrail – yes

Mr. Zorola – (abstained)

4. Quarter 4-2021 Financials – Eric Piurkowski, CPA CFO

Mr. Piurkowski began discussing the balance sheet portion of his financials through 12/31/2021, a copy had been distributed to all participating remotely; and a copy is included within these minutes. Mr. Piurkowski stated that as of 12/31/2021 we had \$2.8M in Clinton Savings Bank at year end stating that number is going to drop this quarter due to \$1.5M in losses to pay out, he stated that we have \$335K in cash equivalents, total cash and cash equivalents were \$3.1M. He continued by stating that there is \$11.1M in bonds and \$8.3M in equities. Mr. Piurkowski continued stating that the premium receivable which is down considerably to \$111K. Mr. Piurkowski also stated that the total assets are \$22.8M. He then reviewed the profit & loss portion of his financials in detail and answered questions from Committee Members.

Mr. Piurkowski stated that the 2022 budget will be worked on and sent out to the Committee to review, he noted that it should not be much different than last year's budget.

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

Roll Call Vote:

Mr. Robertson – yes

Mr. Brewer – yes

Ms. Bronneck – yes

Mr. McGrail – yes

Mr. Zorola - 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 12/31/2021. A copy is included within these minutes.

5. Review of Investment Committee – James R. Bacon, Chairperson Investment Committee

Mr. Bacon distributed a handout to all; a copy of which is included within these minutes. He began by reviewing the headlines from his handout:

- MRP Assets – Record levels & performance
- Inflation driving Government policy now
- Covid, Climate & China

Mr. Bacon continued reviewing the assets, result - 2021 and the investment decisions for 2021; which included a new bond benchmark; \$500K cash added; bonds and floating rate debt, rebalanced equities to bonds 2X and swapped emerging markets to growth fund. Mr. Bacon continued reviewing his Investment Committee report stating that some of the conclusions: MRP assets – well diversified but expect lower returns. COVID- induced supply and labor disruptions and inflation persist – 12-18 months. Economic and corporate profits growth rates decline. Monetary tightening weighs on bonds and risk assets, and 35% chance of mild recession. Geopolitical distractions and conflict and foreign

distractions will impede U.S. progress. Mr. Bacon answered questions from committee members.

Mr. Brewer made a ***motion*** to accept the Investment Committee report as presented. Mr. Robertson seconded the motion it passed unanimously.

Roll Call Vote:

Mr. McGrail – yes

Mr. Robertson – yes

Ms. Bronneck – yes

Mr. Zorola - yes

Mr. Brewer - yes

6. Other Business

Mr. McGrail stated that the Stage Neck Inn retreat will be at the end of March and that the annual meeting will be at the Endicott House conference center in May.

Please let Ms. Ward know of your plans to attend as soon as possible.

7. Public Comment

There being no public comment.

8. Adjournment

Mr. Robertson made a ***motion*** to adjourn the Governing Committee meeting at 11:40AM, Mr. Brewer seconded the motion; it passed unanimously.

Roll call vote:

Mr. Brewer – yes

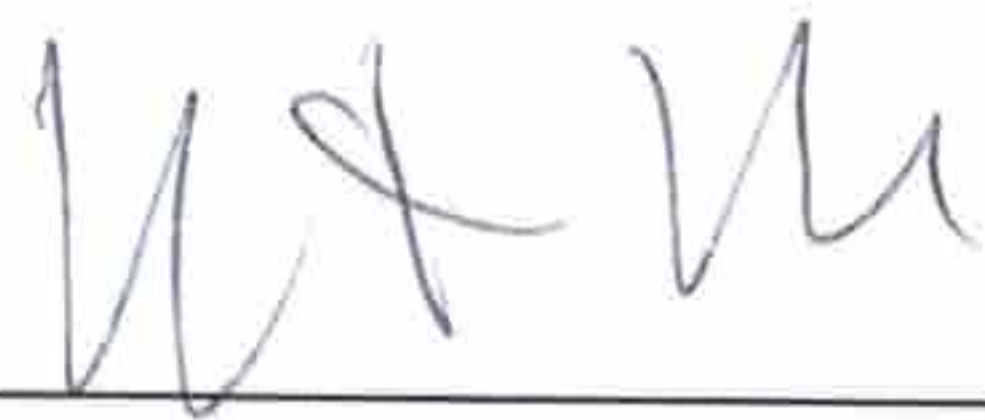
Mr. Robertson – yes

Ms. Bronneck – yes

Mr. McGrail – yes

Mr. Zolola - yes

A true record transcribed on February 24, 2022

A handwritten signature in blue ink, appearing to be "W & M", is written above a horizontal line.

MRP Chairman/Officer