

FINAL

MASSACHUSETTS REINSURANCE PLAN
GOVERNING COMMITTEE MEETING

Minutes of a Meeting Friday August 12, 2022

A Meeting of the Governing Committee of the Massachusetts Reinsurance Plan (“MRP”) was held *remotely/in person* 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*)
Peter Robertson, Esq., Vice Chairman (*Zoom*)
Margaret Bronneck, Esq., Secretary (*Excused*)

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*)
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 three Committee members were participating remotely, one in person and one being excused, 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 May 5, 2022

Mr. McGrail noted the minutes from the previous Governing Committee meeting held on May 5, 2022 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 Mr. Zorola. The motion passed.

Roll call vote:

Mr. Robertson – yes

Mr. Brewer – yes

Mr. McGrail – yes

Mr. Zorola –yes

4. Quarter 2-2022 Financials – Eric Piurkowski, CPA CFO

Mr. Piurkowski began discussing the balance sheet portion of his financials through 06/30/2022, a copy had been distributed to all participating remotely; and a copy is included within these minutes. Mr. Piurkowski stated that as of 06/30/2022 we had \$1.4M in Clinton Savings Bank at quarter end, he stated that we have \$241K in cash equivalents, total cash and cash equivalents were \$1.6. He continued by stating that there is \$11M in bonds and \$7M in equities. Mr. Piurkowski continued stating that the premium receivable is \$140K. Mr. Piurkowski also stated that the total assets are \$20M. He then reviewed the profit & loss portion of his financials in detail and answered questions from Committee Members.

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

Roll Call Vote:

Mr. Robertson – yes

Mr. Brewer – 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 06/30/2022. 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 – Down Less/Losses Unrealized
- Inflation/Ukraine risks high: Recession??
- Markets have discounted most outcomes

Mr. Bacon continued reviewing the assets, he stated that as of 12/31/21 we were at \$22.5M and as of 6/30/2022 \$19.4M. MRP total fund was down -10.4%, with US equities down -20.6%. Mr. Bacon reviewed the market summary stating that inflation concern's and geopolitical events caused most markets outside of some real asset categories to fall into negative territory. He continued reviewing the domestic equity sector performance; inflation expectations; U.S. Treasury curves; real asset concerns. Mr. Bacon concluded that MRP assets declined but less than the market. He stated that fixed income: impact of higher interest rates on MRP bonds \$11.4M; duration 3.85yrs; yield 3.37%. Mr. Bacon answered questions from committee members.

6. Other Business

There being no other business to come before the committee.

7. Public Comment

There being no public comment.

8. Adjournment

Mr. Brewer made a *motion* to adjourn the Governing Committee meeting at 11:27AM, Mr. Robertson seconded the motion; it passed unanimously.

Roll call vote:

Mr. Brewer – yes

Mr. Robertson – yes

Mr. McGrail – yes

Mr. Zorola – yes

A true record transcribed on September 16, 2022



MRP Chairman/Officer