

FINAL

MASSACHUSETTS REINSURANCE PLAN  
GOVERNING COMMITTEE MEETING

Minutes of a Meeting Tuesday November 8, 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 (*Zoom*)

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

Eric Piurkowski, CFO, CPA (*Zoom*)  
Robin M. Ward, Director of Administration (*in person*)  
James R. Bacon, Investment Committee Chairman (*Zoom*)  
Matthew Mancini, Esq., DOI (*Zoom*)  
Steve Nestico, Crowe (*Zoom*)  
Doug Singer, Crowe (*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 met. 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 August 12, 2022

Mr. McGrail noted the minutes from the previous Governing Committee meeting held on August 12, 2022 had been distributed to all. A copy of which is included within these minutes. Mr. Zorola made a *motion* to accept the minutes as presented and duly seconded by Mr. Robertson. The motion passed.

*Roll call vote:*

*Mr. Robertson – yes*

*Mr. Brewer – yes*

*Mr. McGrail – yes*

*Mr. Zorola –yes*

*Ms. Bronneck – abstained*

4. Review of Audit Plan - Crowe

Mr. Nestico joined the meeting via (Zoom) a copy of the 2022 Year-End Audit Plan was distributed to all; a copy of which is within these minutes. He began by reviewing the Service Team; the services provided, noting that the fees have increased 10% to \$45,250. He continued reviewing the Engagement Management and Timeline, he discussed in detail the timeline and the Audit Plan and Approach. Mr. Nestico stated that the areas of Audit Emphasis are cash and invested assets; premiums; incurred losses and loss reserves; expenses including salaries and benefits; income taxes and member's surplus.

Mr. Nestico discussed the NAIC Summer 2022 National Meeting Update, which is included within these minutes. He answered questions from Governing committee members.

Mr. McGrail noted that the information provided from Crowe is informative information and a motion is not required.

5. Quarter 3-2022 Financials – Eric Piurkowski, CPA CFO

Mr. Piurkowski began discussing the balance sheet portion of his financials through 09/30/2022, a copy had been distributed to all; and a copy is included

within these minutes. Mr. Piurkowski stated that as of 09/30/2022 we had \$1.6M in Clinton Savings Bank at quarter end, he stated that we have \$96,927 in cash equivalents, total cash and cash equivalents were \$1.7. He continued by stating that there is \$11.1M in bonds and \$6.6M in equities. Mr. Piurkowski continued stating that the premium receivable is \$5,153. Mr. Piurkowski also stated that the total assets are \$20.3M. He then reviewed the profit & loss portion of his financials in detail and answered questions from Committee Members.

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

***Roll Call Vote:***

***Mr. Robertson – yes***

***Mr. Brewer – yes***

***Mr. McGrail – yes***

***Mr. Zorola – yes***

***Ms. Bronneck - 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 09/30/2022. A copy is included within these minutes.

6. 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:

- Risk: Inflation; Ukraine; Recession; Elections
- Positives: U.S. labor; Consumer & Business Health
- MRP Defensive Posture; Worst Outcomes Discounted?

Mr. Bacon continued reviewing the assets, he stated that as of 09/30/2022 we were at \$16.8M the total fund was down -14.2%. Mr. Bacon reviewed the market summary stating that markets struggled across the board in September due to continued macroeconomics and recessionary fears. He stated that within the domestic equity sector performance all sectors declined in September; energy is the only sector that is positive year-to-date. Mr. Bacon continued by discussing the forward price/earnings ratios; inflation expectations; fed funds rate and inflation; aggressive fed tightening cycle and the U.S. Treasury yield curves. Mr. Bacon answered questions from Governing committee members.

Mr. McGrail noted that a motion was not required due to the information provided being informational only.

7. Other Business

There being no other business to come before the committee.

8. Public Comment

There being no public comment.

9. Adjournment

Mr. Brewer made a *motion* to adjourn the Governing Committee meeting at 11:42AM, Mr. Zorola seconded the motion; it passed unanimously.

*Roll call vote:*

*Mr. Brewer – yes*


*Ms. Bronneck – yes*

*Mr. Robertson – yes*

*Mr. McGrail – yes*

*Mr. Zorola – yes*

A true record transcribed on December 15, 2022



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MRP Chairman/Officer