

FINAL

MASSACHUSETTS REINSURANCE PLAN
GOVERNING COMMITTEE MEETING

Minutes of a Meeting Wednesday, November 10, 2021

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 (*in person*)
Jose Zorola, Treasurer (*excused*)
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*)
Steve Nestico, Senior Audit Manager, Crowe (*Zoom*)
William Pomponi, Partner, Crowe (*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 two Committee members were participating remotely and two 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 August 11, 2021

Mr. McGrail noted the minutes from the previous Governing Committee meeting held on August 11, 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 unanimously

Roll call vote:

Mr. Robertson – yes

Mr. Brewer – yes

Ms. Bronneck – yes

Mr. McGrail – yes

4. Review of Audit Plan – Crowe

Mr. Pomponi and Mr. Nestico joined the meeting via Zoom, a copy of their 2021 Audit Plan has been distributed to members and a copy of which is include within these minutes. Mr. Pomponi began by reviewing the agenda for the audit plan, he reviewed the service team, services provided, engagement management and timeline, audit plan and approach. Mr. Pomponi stated that fees are up 3% from last year.

Mr. Nestico reviewed areas of audit emphasis, which they look at cash and invested assets, he also reviewed the accounting and auditing developments; which include Auditors report changes, related party transactions and enhancements to Communications with those charged with Governance. He continued reviewing the audit plan and accounting and auditing developments and answering questions from Governing Committee members.

There being no further questions a ***motion*** was made by Mr. Brewer to approve the 2021 year end Audit Plan as presented; Mr. Robertson seconded the motion; it passed unanimously.

Roll Call Vote:

Mr. Brewer – yes

Mr. Robertson – yes

Ms. Bronneck – yes

Mr. McGrail - yes

5. Quarter 3-2021 Financials – Eric Piurkowski, CPA CFO

Mr. Piurkowski began discussing the balance sheet portion of his financials through 09/30/2021, a copy had been distributed to all participating remotely; and a copy is included within these minutes. Mr. Piurkowski stated that as of 09/30/2021 we had \$2.2M in Clinton Savings Bank and \$90K in cash equivalents, due to a timing delay in purchasing bonds and equities. He continued by stating that there is \$11.1M in bonds and \$8.5M in equities, he noted that early in the year we invested \$500 from cash we also had \$100K in dividends or that were reinvested and we had about \$900K in realized and unrealized gains. We have had a very good year in the stock market so far. Mr. Piurkowski continued stating that the premium receivable which Mr. Piurkowski noted happens every other quarter is \$650K, which is a timing delay in payment received from Coverys. Mr. Piurkowski also stated that the total assets are \$22.8M. He then reviewed the profit & loss portion of his financials 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

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 09/30/2021. 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:

- Inflation!?
- Covid, Climate, China
- MRP Assets – Record Levels & Performance

Mr. Bacon continued reviewing the assets, market change 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 and answered questions from committee members.

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

Roll Call Vote:

Mr. McGrail – yes

Mr. Robertson – yes

Ms. Bronneck – yes

Mr. Brewer - yes

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 11:50AM, Ms. Bronneck seconded the motion; it passed unanimously.

Roll call vote:

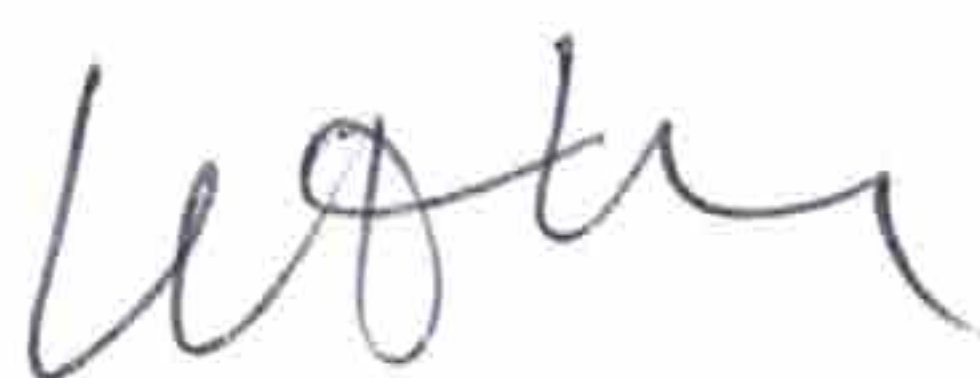
Mr. Brewer – yes

Mr. Robertson – yes

Ms. Bronneck – yes

Mr. McGrail – yes

A true record transcribed on November 30, 2021

A handwritten signature in black ink, appearing to be "W. J. ...", positioned above a horizontal line.

MRP Chairman/Officer