

MASSACHUSETTS REINSURANCE PLAN

INVESTMENT COMMITTEE

Minutes of a Meeting

Wednesday May 3, 2023

A Meeting of the Investment Committee of the Massachusetts Reinsurance Plan (“MRP”; the “Plan”) was held remotely/in person at The MIT Endicott House, 80 Haven Street, Dedham, MA 02026

The following committee members participated remotely:

James R. Bacon, Chairman (*Zoom*)
Richard W. Brewer, Secretary (*In person*)
John W. Tympanick, Member (*Zoom*)
Joe R. Zorola, Vice Chairman (*In person*)

The following MRP Staff/Consultants participated:

William T. McGrail, Chairman (*In Person*)
Robin M. Ward-Jackson, Director of Administration (*In Person*)
Eric Piurkowski, CFO, CPA (*In Person*)
Catherine Powers, Consultant, Prime Buchholz (*Zoom*)
Carl Valvo, Esq., (*In person*) @ 2:35PM

1. Call to Order

The meeting was called to order by Chairman Bacon at 2:00PM. Ms. Ward-Jackson kept a record of the proceedings.

2. Quorum and Notices

Mr. Bacon stated that three members were participating remotely, and one in person, and a quorum was met. This would be a roll call vote meeting.

Mr. Bacon noted 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 MRP's website.

3 Approval of minutes from February 7, 2023, Investment Committee meeting

A *motion* was made by Mr. Tympanick to approve the minutes from the February 7, 2023, meeting as presented, Mr. Brewer seconded the motion; it passed unanimously.

Roll call vote:

Mr. Bacon – yes

Mr. Brewer – yes

Mr. Tympanick – yes

Mr. Zorola –yes

4. Financial Status of the Plan – Eric Piurkowski, CFO CPA

Mr. Piurkowski reviewed his Investment Portfolio Breakdown as of 03/31/2023; a copy of which is included within these minutes. He began by stating that after February's Investment Committee meeting, we transferred \$500K out of the Clinton Savings Bank to invest \$100K in Vanguard Growth ETF; \$300K into Vanguard Value ETF and \$100K into Vanguard Developed Markets ETF. Approximately one week later two large claims came in and we took \$600K out of the bond account and \$700K out of the equities to cover two large losses; one for \$950K and one for \$500K. Mr. Piurkowski continued stating that fixed income is \$11.6M or 60.6%; equities \$7.5M, total assets are

\$7.5M, total assets are \$19.2M. Mr. Piurkowski stated that case reserves are at \$2.2M with a surplus of \$9.4M. Mr. Piurkowski answered questions from committee members and reviewed the changes from the past quarter.

5. Market & Portfolio update– Prime Buchholz

Ms. Powers began reviewing Primes quarterly investment meeting materials; a copy of which is included within these minutes. Ms. Powers stated that equity markets were resilient in March despite banking stress. Tighter credit concerns hurt real estate while bonds appreciated amid increasing rate cut expectations. She stated that March returns added to a strong first quarter for IT and communication services. Declines in regional banks drove financials down sharply. Ms. Powers stated inflation expectations moderated as markets factored banking stress into their views on financial conditions. She stated that one of the bright spots is the labor market, low unemployment. Ms. Powers began to review the portfolio stating there's a good boost from the equity portion of the portfolio as well, if you look at where we were at the end of 2022 compared to today in terms of returns it's good to see much better returns. She stated that we are close to our targets, and strong returns in equities up 7%. Mr. Bacon stated that he has been thinking about the fixed income allocation, fixed income vs equities. A discussion ensued on allocation.

6. Other Business

There being no other business to come before the committee.

7. Public Comment

There being no public comment to come before the committee.

8. Adjournment

Mr. Zorola made a *motion* to adjourn the Investment Committee meeting @ 3:15PM;
Mr. Tympanick seconded the motion; it passed unanimously.

Roll Call Vote:

Mr. Bacon – yes

Mr. Brewer – yes

Mr. Tympanick – yes

Mr. Zorola – yes

A true record transcribed by Robin Ward-Jackson on June 8, 2023



MRP Investment Committee