

MASSACHUSETTS REINSURANCE PLAN

INVESTMENT COMMITTEE

Minutes of a Meeting

Friday August 12, 2022

A Meeting of the Investment Committee of the Massachusetts Reinsurance Plan (“MRP”; the “Plan”) was held remotely/in person at 106 Southville Road, Southborough, MA 01772 @ 9:30AM

The following committee members participated remotely:

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

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*)  
Brian Matthews, Consultant, Prime Buchholz (*Zoom*)  
Catherine Powers, Consultant, Prime Buchholz (*Zoom*)  
Peter Kiely, Chairman Emeritus, MRP Investment Committee (*Zoom*)

1. Call to Order

The meeting was called to order by Chairman Bacon at 9:30AM. Ms. Ward-Jackson kept a record of the proceedings.

2. Quorum and Notices

Mr. Bacon stated that three members were participating remotely, one was excused, 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 May 4, 2022 Investment Committee meeting

A *motion* was made by Mr. Brewer to approve the minutes from the May 4, 2022 meeting as presented, Mr. Tympanick seconded the motion; it passed with three votes.

***Roll call vote:***

***Mr. Bacon – yes***

***Mr. Brewer – yes***

***Mr. Tympanick – yes***

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

Mr. Piurkowski reviewed his Investment Portfolio Breakdown as of 06/30/2022; a copy of which is included within these minutes. He began by stating that there is \$1.6M in cash & cash equivalents. Mr. Piurkowski continued stating that fixed income is \$12.7M or 64.5%; bonds \$11.1M and equities \$7M, total assets are \$20M. Mr. Piurkowski stated that case reserves are at \$3.6M with a surplus of \$9M.

Mr. Piurkowski stated that we will potentially have \$500K to invest in Q4-2022.

5. Market & Portfolio update– Prime Buchholz

Ms. Powers began reviewing their quarterly investment meeting materials; a copy of which is included within these minutes. Ms. Powers stated that inflation concerns, and geopolitical events caused most markets outside of some real assets categories to fall into negative territory. She also stated that energy was the only sector to record a gain year-to-date. Growth industries generally underperformed value. Ms. Powers continued noting that inflation continues to surprise on the upside, but long-term inflation expectations drifted lower as a result of a more aggressive Fed. She continued by stating that the bond market has been in an unusual period in the sense that we have experienced significant drawdowns historically; not seen since 1979.

Ms. Powers began reviewing the portfolio results, stating that the total fund on a year-to-date basis is down -7.5%, slightly lesser declines than what your seeing in your policy and actual indices. She stated that we are very close to our asset allocation targets and so today there is not an action item as it relates to rebalancing activity. She continued to review the investment return detail noting that in July 2022 growth did rebound.

Mr. Matthews answered questions from Committee members. He stated that a topic for the next Investment Committee meeting could be to take a closer look at market cap exposure, regional exposure, come back with a more detail look at it. Mr. Matthews and Ms. Powers could think about are there any additional options to build into the Cap space. Mr. Tympanick stated it would be helpful.

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. Brewer made a *motion* to adjourn the Investment Committee meeting @ 10:34AM,  
Mr. Tympanick seconded the motion; it passed unanimously.

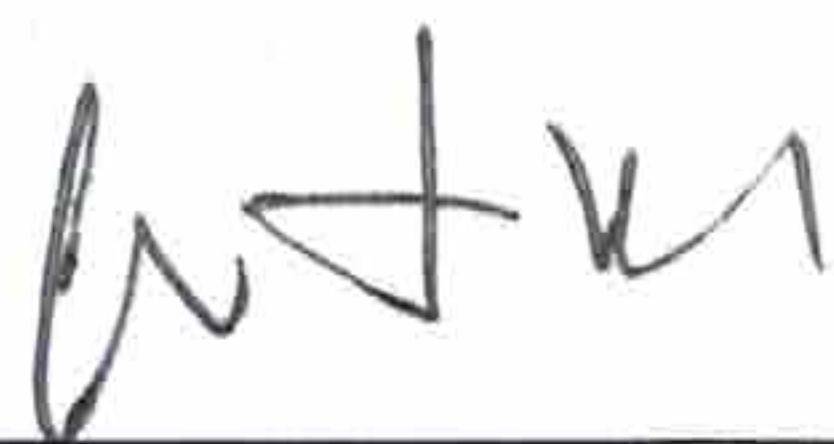
*Roll Call Vote:*

*Mr. Bacon – yes*

*Mr. Brewer – yes*

*Mr. Tympanick – yes*

A true record transcribed by Robin Ward-Jackson on September 1, 2022



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MRP Investment Committee