

MASSACHUSETTS REINSURANCE PLAN

INVESTMENT COMMITTEE

Minutes of a Meeting

Wednesday November 10, 2021

A Meeting of the Investment Committee of the Massachusetts Reinsurance Plan (“MRP”; the “Plan”) was held remotely at 106 Southville Road, Southborough, MA 01772 @ 9:00AM

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, Director of Administration (*In Person*)  
Eric Piurkowski, CFO, CPA (*In Person*)  
Brian Matthews, Consultant, Prime Buchholz (*Zoom*)  
Robert Kizik, 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 9:00AM. Ms. Ward kept a record of the proceedings.

2. Quorum and Notices

Mr. Bacon stated that three members were participating remotely, and one member was excused and that 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 August 11, 2021 Investment Committee meeting

A *motion* was made by Mr. Tympanick to approve the minutes from the August 11, 2021 meeting as presented, Mr. Brewer seconded the motion; it passed unanimously.

*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 09/30/2021; a copy of which is included within these minutes. He began by stating that there is \$2.2M in cash & cash equivalents. Mr. Piurkowski continued stating that fixed income is \$13.3M



or 61%; bonds \$11.1M with surplus at \$7.5M. Mr. Piurkowski stated that cash needs for Q4-2021 we are expecting a claim of \$2M to be paid out to Coverys.

5. Market & Portfolio – Prime Buchholz

Mr. Matthews began reviewing their quarterly investment performance analysis; a copy of which is included within these minutes. He introduced Bob Kizik of their Fixed Income team. Mr. Matthews reviewed the Market Summary from Q3-2021 and the transaction history that occurred in August 2021. He continued reviewing the Investment return in detail, noting that markets continued to rally in October and into November. Mr. Matthews stated that that equity markets are stretched, and the Plan should harvest gains into fixed income. A discussion ensued on Primes rebalancing recommendation the Investment committee changed the proposal as follows:

1. Sell \$400K from Equities Vanguard Growth and \$200K from Vanguard Value ETF into Fixed Income.
2. Transfer \$600K from Vanguard Total Bond Market ETF to Clinton Savings Bank for upcoming Q4 claims need.
3. Sell \$250K from FPA Crescent Supra Instl Fund; \$50K from Loomis Sayles; \$50K from Rowe Price Floating rate fund and buy \$350K of Cohen & Steers Capital as a new allocation in Flexible Capital.

Mr. Tympanick made a *motion* to approve the changed recommendation; Mr. Brewer seconded the motion; it passed unanimously.

***Roll call vote:***

***Mr. Bacon – yes***

***Mr. Brewer – yes***

***Mr. Tympanick – yes***



Mr. Matthews reviewed Inflation Sensitivity by Segment, which the Committee had requested and answered questions from Committee members.

Mr. Kizik began discussing the bond market, stating that the market is pulling forward up to 2 rate hikes in 2022. Mr. Kizik answered questions from Committee members and continued discussing inflation noting that we just had a good job market.

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 @ 10:45AM, 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 on December 27, 2021



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MRP Investment Committee