

MASSACHUSETTS
REINSURANCE PLAN

OPERATIONS COMMITTEE MEETING

Minutes of a Meeting

Thursday May 6, 2021

An Operations & Audit Committee meeting of the Massachusetts Reinsurance Plan (“MRP”) was held on Thursday May 6, 2021 @ 10:00AM at 106 Southville Road, Southborough, MA 01772 – *Conference call meeting*

The following committee members participated remotely:

Peter T. Robertson, Esq., Chairperson
James R. Bacon, Secretary
Joe Zorola, Vice Chairperson

The following MRP staff/consultants were present:

William T. McGrail, Chairman MRP
Robin M. Ward, Director of Administration
Richard W. Brewer, Audit Committee, MRP

1. Call Meeting to Order/Quorum & Notice

Mr. Robertson called the meeting to order @ 10AM. Ms. Ward kept a record of the meeting.

Mr. Robertson stated that all Committee members were participating remotely, and a quorum was met. Mr. Robertson 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.

2. Approval of Minutes from May 7, 2020

The prior minutes had been distributed to all. A *motion* was made by Mr. Zorola and seconded by Mr. Bacon to accept the minutes as presented. The motion passed unanimously.

Roll call vote:

Mr. Bacon – yes

Mr. Zorola – yes

Mr. Robertson - yes

3. Review of CEO Performance and Compensation

Mr. Robertson began by stating that all Committee members had received a copy of the annual state of the Plan prepared by Mr. McGrail; a copy of which is included within these minutes. Mr. Robertson also distributed a handout titled “CEO Compensation Review (May 2021) and a memorandum; copies of which are included within these minutes. Mr. Robertson began by asking Mr. McGrail if he wished to add anything to State of the Plan, Mr. McGrail noted that during the pandemic most all business were affected one way or another, some positively and most negatively. The Plan was essentially unaffected as far as a business is concerned with the minor exception of some surgical policies that might have been changed to reduce the surgical practice to an office practice. Mr. McGrail continued stating that the Presidential election had no effect on the Plan. He stated that the Plans income exceeded expenses in 2020 and has a small surplus. Mr. Robertson thanked Mr. McGrail and stated another excellent job by him and Ms. Ward for keeping things

running smoothly and efficiently, another excellent year. Mr. Zorola asked if we needed too could we have been working remotely 100% of the time, Mr. McGrail stated yes. Mr. Bacon stated that he read the State of the Plan with interest about Mr. McGrail and Ms. Ward and the organization, he thought it was excellent and captured the situation which effected businesses in different ways and the Plans results, surplus, small profit, net written premium etc., that you wouldn't of noticed the Pandemic if you looked at the numbers. Mr. Brewer reviewed materials that he received as an ad-hoc attendee. Mr. Robertson reviewed CEO compensation data from various residual market organizations. A discussion ensued on merit increase percentage. Mr. Brewer stated that Mr. McGrail's compensation is modest compared to CEO and COO data and would recommend a higher percentage increase, Mr. Robertson agreed. Mr. Zorola thanked Mr. Brewer for his input and agreed with the higher percentage recommended. Mr. Bacon stated he agreed. Mr. Robertson stated that Mr. McGrail does an excellent job and stated that we should entertain a bonus for this year.

A *motion* was made by Mr. Zorola to increase Mr. McGrail's compensation to a 4% merit increase retro to January 2021 and a 10% incentive bonus. Mr. Bacon seconded the motion; it passed unanimously.

Roll call vote:

Mr. Robertson – yes

Mr. Bacon – yes

Mr. Zorola - yes

Mr. Zorola stated that all employees of the Plan should receive a bonus 10% and merit 4% increase leaving Mr. McGrail to determine the numbers. Committee members agreed.

Mr. McGrail stated that he wanted to take the opportunity to thank the Operations committee for its vote of confidence and he continues to enjoy the position very much and he appreciates the opportunity and privilege of service. Mr. Robertson thanked Mr. McGrail and Ms. Ward for their service to the Plan.

4. Other Business

Mr. Robertson stated that he and the Committee members would like to thank Mr. Cassidy for years of service to the Operations and Governing Committees of the Plan. A plaque and letter will be presented to Mr. Cassidy when meetings are attended in person.

5. Adjournment

A *motion* was made by Mr. Zorola and seconded by Mr. Bacon to adjourn the meeting @ 10:30 AM. The motion passed unanimously.

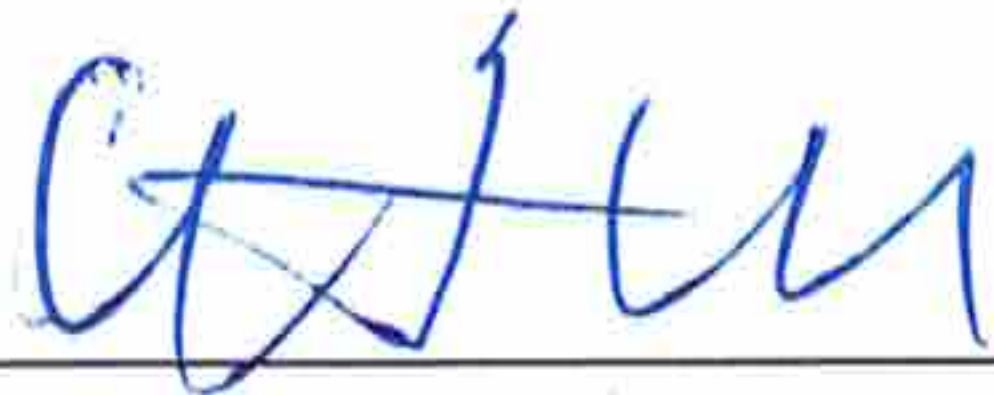
Roll call vote:

Mr. Robertson – yes

Mr. Zorola – yes

Mr. Bacon - yes

A true record transcribed on May 20, 2021 by Robin M. Ward.



MRP Operations Committee