

FINAL

MASSACHUSETTS REINSURANCE PLAN
GOVERNING COMMITTEE

Minutes of a Meeting Wednesday August 10, 2016

A Meeting of the Governing Committee of the Massachusetts Reinsurance Plan (“MRP”; the Plan) was held at the Executive offices of the Massachusetts Reinsurance Plan, 95A Turnpike Road, Westborough, MA 01581 @ 10AM.

The following members were present:

William T. McGrail, Chairman
Richard W. Brewer
Gerald J. Cassidy
Jose Zorola
Peter Robertson, Esq.

The following MRP Staff/Consultants/Sub-Committee members were present:

Robin M. Ward, Director of Administration
Eric Piurkowski, CPA, CFO
James R. Bacon, Investment Committee Chairman (*via telephone*)
Cara Toomey, Esq., Division of Insurance
Harold Naughton Jr., State Representative 12th Worcester District – Speaker

1. Call to Order

Mr. McGrail called the meeting to order at 10:00AM. Ms. Ward kept a record of the proceedings.

2. Quorum and Notice

Mr. McGrail stated that all committee members were in attendance and that a quorum was present at the meeting. 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.

3. Minutes of Prior Meeting

Mr. McGrail noted the minutes to the previous meeting of May 5, 2016 had been distributed to all in attendance. Mr. Robertson made a ***motion*** to accept the minutes as presented. Mr. Cassidy seconded the motion. The motion passed unanimously.

4. Quarter 2 – 2016 Financials– Eric Piurkowski, CPA CFO

Mr. Piurkowski reviewed the Quarter 2-2016 *unaudited* financials; a copy is included with these minutes. He began by reviewing the balance sheet and stated that the cash accounts; which include the checking, savings accounts and cash equivalents were \$1.3M as of 6/30/2016. There is \$6.3M in bonds; and \$5.1M in equities. Total investments of \$11.3M, making the total assets with cash \$13.2M. He continued by reviewing the income statement. Mr. Piurkowski reviewed his Investment Portfolio Breakdown through 6/30/2016; a copy of which is included with these minutes.

Mr. McGrail noted that all in attendance have a copy of the Policies in Force report; Summary of Ceded Premium report and the Summary of Ceded Policies Written report through 06/30/2016. A copy is included with these minutes.

5. “On the Floor” – Harold Naughton, Jr., State Representative 12th Worcester District – Delegate DNC

Mr. McGrail introduced Representative Naughton to all in attendance; a bio of Representative Naughton is included within these minutes. Representative Naughton began by describing a day in the life of and the logistics of attending the Democratic National Convention. He explained that Massachusetts had 92 delegates from various backgrounds at this year's DNC. He continued stating that a lot of business is being done at the same time; there are the lobbyists; political professionals, the ones who are there to scope out potential candidates for state wide and federal office. Representative Naughton explained this is his fifth convention; third as a delegate. He explained the process of how you get to attend the DNC. Representative Naughton continued with describing what the delegates do each day with various

meetings and networking with others. He explained the atmosphere at the hotels and the convention and how uplifting and exciting it was.

Mr. Naughton answered questions from Board Members on security; on the production of the Convention, which he stated was like a “Hollywood” production. He continued answering questions regarding state and local politics as well. Mr. McGrail noted that Mr. Naughton is a Major in the Army Reserve having had multiple deployments; he noted that his son is the third generation in the service, attending the US Naval Academy and thanked him for his service.

6. Investment Update – James R. Bacon, Chairman Investment Committee

Mr. Bacon began by discussing his handout titled “Investment Conditions”; a copy is included within these minutes. He reviewed his handout; stating that earnings have been less negative and have been improving slowly and that corporations are in good shape balance sheet wise. He continued by stating that the Fed wants to clearly get out of managing interest rates and let them gravitate back to their natural level. Mr. Bacon stated that we have a low growth but some growth and the problem is an elongated recovery, as long as we can continue growth and not have any big collapses we can muddle through. It’s a period of lower longer economic situation. Mr. Bacon continued to review his handout and answered questions from Board Members.

7. Other Business

Mr. Brewer noted that this is perhaps the last Governing Committee meeting at 95A Turnpike Rd., Westborough, MA; Mr. McGrail stated that we are still set to move middle of October and that the November meeting would certainly be held in our new location in Southborough, MA.

Mr. McGrail noted to all in attendance that Cara Matern, Esq., Division of Insurance was married in May 2016 and her name has changed to Cara Toomey, Esq., he congratulated her and her husband, everyone wished her well.

8. Adjournment

A ***motion*** was made to adjourn the meeting at 11:30AM; the motion passed unanimously.

A true record transcribed on September 15, 2016

MRP Chairman/Officer