

MASSACHUSETTS MEDICAL MALPRACTICE  
REINSURANCE PLAN  
GOVERNING COMMITTEE

Minutes of a Meeting Wednesday February 11, 2015

A Meeting of the Governing Committee of the Massachusetts Medical Malpractice Reinsurance Plan ("MMMRP"; the Plan) was held at its executive offices, 95A Turnpike Road, Westborough, MA 01581.

The following members were present:

Richard W. Brewer  
Gerald J. Cassidy  
Jose R. Zorola  
Peter T. Robertson, Esq.

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

Robin M. Ward, Director of Administration  
Eric Piurkowski, CPA, CFO  
James Bacon, Investment Committee, Chairman (via conference call)

Others Present:

Joseph G. Murphy, COO, Coverys, MA/DOI Commissioner (former)

1. Call to Order

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

2. Quorum and Notice

Mr. Cassidy stated that all committee members were in attendance and that a quorum was present at the meeting. Mr. Cassidy 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. Cassidy noted the minutes to the previous meeting of November 12, 2014 had been distributed to all in attendance. Mr. Brewer made a ***motion*** to accept the minutes as presented. Mr. Robertson seconded the motion. The motion passed unanimously.

4. Role of Residual Markets – Joseph G. Murphy, COO, Coverys MA/DOI Commissioner (former)

Mr. Murphy began by giving the members a brief history of his time at the Division of Insurance and his new role at Coverys.

Mr. Murphy then began by discussing the role of the Residual Markets; stating that in Massachusetts there is five. He discussed the success of the Mass. Auto and the FAIR Plan. He responded to questions from Committee members.

5. Dash Board – FY 2014 Investments – James R. Bacon, Chairman, Investment Committee  
*(via conference call)*

Mr. Bacon joined the meeting via conference call. He began by discussing his handout; a copy is included with these minutes. He discussed the activities of the Investment Committee during 2014; the output of the portfolio and the economics of the Plan. He stated that some of the objectives of the Investment Committee are to make sure the Plan has enough cash for liabilities and support operations. He continued discussing his handout stating that we have shifted bond cash to equities; revised the equity allocation policy from 30% to 35%; appointed Gerald Cassidy to Secretary, noting that all compliances and governances are adhered to.

Mr. Bacon stated that the assets under management have decreased from \$20M in 2011 to \$17.9M in 2014; noting that there was an increase in claims in 2013-2014, requiring cash withdrawals from the investment income. He stated that the Committee had decided to adopt the MSCI ACWI as the primary index. Mr. Bacon concluded his presentation by answering questions from Members.

6. Quarter 4 – 2014 Financials– Eric Piurkowski, CPA CFO

Mr. Piurkowski reviewed the Quarter 4-2014 financials; a copy is included with these minutes. He began by reviewing the balance sheet and stated as of 12-31-2014 the cash accounts; which include the checking, savings accounts and cash equivalents; which are held between Madison and the equity portfolio were \$1.9M. He stated that we try to keep the money market fund to a minimum to lower fees, which he stated has been accomplished noting that fund currently has \$200K. He continued by stating that the Plans total assets at year-end were \$18M. Mr. Piurkowski then reviewed highlights from the income statement; earned premium was at \$1.8M and the Plans incurred losses were budgeted for \$2M actual was \$600K due to the prior year favorable development; \$1.4M less than budgeted. He continued by noting that the actuarial expense was higher than budgeted due to Towers Watson performing a deficit analysis this year. A ***motion*** was made by Mr. Cassidy to accept the financial report. Mr. Brewer seconded the motion. It passed unanimously.

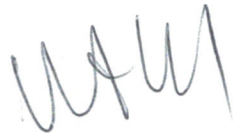
7. Other Business

There being none, the meeting was adjourned.

8. Adjournment

A *motion* was made to adjourn the Governing Committee meeting at 11:20AM. The motion passed unanimously.

A true record transcribed on February 27, 2015

A handwritten signature in black ink, consisting of several stylized, overlapping loops and lines, positioned above a horizontal line.

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MMMRP Chairman/Officer