

BOARD MEETING MINTUES
MONTANA REINSURANCE ASSOCIATION

Wednesday August 19, 2020; 11:00 a.m. to 12:00 p.m.

Via Zoom: (669) 900-6833 Meeting ID: 934 5954 6048 Passcode: 102363

Board Members: Michael Batista, Richard Daniels, Richard Miltenberger,
Collette Hanson, Cody Langbehn

Welcome and Call to Order – Cody Langbehn, Chair

1. Minutes of the Previous Meeting

A motion was made to approve the minutes of the June 1, 2020 meeting of the Board of the Montana Reinsurance Association. The motion was seconded and carried.

2. Election of a New Chair

A motion to nominate Richard Miltenberger as the Chairman of the Board was made, seconded and carried. Congratulations to Richard.

The discussion continued regarding if PacificSource would appointment someone to be the carrier representative immediately or if they would wait until Cody's position is filled and have that individual represent them. Mary felt that a full board would most likely be what the commissioner would want. So, barring no changes from Mary, PacificSource will have Mark Florian be a temporary and possibly permanent replacement for Cody.

Since Richard is the new Chairman, Cody passed the meeting over to him.

3. Financial Report

Laren discussed the June financials showing a snapshot as of June 30th. He also went through the grant process and the invoice payment process. The first draw on the grant was done 7/31 through the State, when they received the funds, they initiated a transfer to the association where then the association upon receipt of fund disbursed to vendors.

4. Directors & Officers insurance update

Richard reported on the different options that are available for D & O insurance. He did get the same recommendation from 3 agencies. D & O coverage would require a premium payment around \$25,000 for a \$100,000 deductible and a million of coverage. He does not feel the risk is meaningful, so he is recommending Sean research if it is

required or not. Sean stated that although the risk is low it is not zero. Richard said they will not pursue coverage at this time but are always open to continue looking.

5. Economic Affairs Interim Committee report

The Economic Affairs Committee met on June 30th and Cody presented the status of the reinsurance association and the committee was happy to see that the association did accomplish what they set out to do with the rates.

6. Public forum requirement

An annual public forum meeting is a requirement of the 1332 Waive Grant. Janell arranged the meeting via Zoom for June 5th. No one attended except Janell and Sean.

Mary will talk with Laren regarding the website maintenance to ensure the best way to make sure the public is notified, and all items are posted timely.

7. Pass Through Funding Report to CMS

Laren and Mary are working on this. Wakely did the pass-through report in the past. CSI does have the ultimate responsibility to send in the report. Laren responded with in other states actuarial assistance has been used and the costs are operating expenses for the reinsurance association and can be paid with Grant funds. The board believes the best route for 2020, due to time constraints, will be to have Wakely perform those services. The board will entertain a change in actuary in 2021.

A motion to allow the retention of Wakely for under \$20,000 and allow Mary/Laren to work with them to perform the Pass-through funding report was made, seconded and carried.

The Q2 report is due Sept 14, 2020, day before the pass through. Laren and Mary will work with Nick and the committee to get this put together to submit timely.

8. Payment parameters due date

There was a discussion as to why the payment parameters were not approved in the prior meeting. Sean reported that there were outstanding items as to the MLR and when the claims would be submitted to River 9. Laren is to take the recommendations with these items and get the whole thing finalized as soon as possible with in the Plan of Operations. Sean would like this to be completed by the next board meeting for approval and then CSI has 30 days of amending the Plan of Operations to notify CMS.

9. Current grant funding status

Laren discussed this along with his financial packet, see notes above.

10. Revisions to current plan of operations

Per Sean, none currently for approval.

11. Other Business/Legislative Updates

Mary, noting she is new to her position, questioned the Board if items that Janell had outstanding were needing addressing. Janell stated a modification was needed to 3322-1302 to update the use of “solely” as it pertains to coverage. She also stated that credit disability insurers should be excluded from the assessment and it does not specifically state so. Bruce will reach out to the lobbyist to see if they are wanting to amend the Reinsurance Act. It was noted that Janell’s items may have been coming from the Commissioner, so Mary will inquire if there are any that he wishes would be addressed.

12. Next Meeting Date

Will be set up via email soon after reviewing the CMS timeline with Laren.

13. Public Comment

There was no Public Comment at this meeting.

14. Wrap-up and Adjourn

The meeting adjourned at 12:26.

Respectfully Submitted,

River 9 Consulting, Inc.