

BOARD MEETING MINTUES
MONTANA REINSURANCE ASSOCIATION

Thursday October 8, 2020; 1:00 p.m. to 2:00 p.m.
Via Zoom: (669) 900-6833 Meeting ID: 931 155 4655

Board Members: Michael Batista, Richard Daniels, Richard Miltenberger,
Collette Hanson, Mark Florian

Welcome and Call to Order – Richard Miltenberger, Chair

1. Minutes of the Previous Meeting

A motion was made to approve the minutes of the August 19, 2020 meeting of the Board of the Montana Reinsurance Association. The motion was seconded and carried.

2. Financial Report

Laren discussed the August financials showing a snapshot as of August 31st. It shows a little over \$35,000 in cash with \$36,000 in payables. Year to date grant revenue year to date is \$66,600. Note 3 on Page 2 breaks down the Professional Fees by category and Note 4 shows Grant draws with a remaining balance through October 2nd of \$22,052,369.

3. Assessment Timing/Procedures

Laren wanted to have a conversation with the Board because River 9 is looking for direction as to when the assessment is to be collected. The discussion continued regarding what the Plan of Operations and Section 33-22-1313 states. It states for 2020 and each year thereafter but does that mean that collections begin in 2021 or would it be 2020. Richard asked that the legal team spend some time researching while the meeting continues. The Board returned to this discussion and determined December 15th will be the assessment date. Mary, Ashley, Steve Mathews and Laren will work together regarding the assessments and carrying them out at later date.

Motion to amend the plan of operations to change the due date for assessments to December 15th was made, seconded and carried.

4. 1332 Waiver Update

Mary updated the Board on the 1332 waiver. On August 31st the 2nd quarterly report was filed with CMS, on Sept 14th they filed the payment parameters and the final reinsurance claim process. On September 15th the Pass-through Funding Report was filed. On

September 23rd, Ashely and Mary had a call with CMS regarding the payment parameters. Everything is up to date and filed.

Other items in the near future are:

October 22nd call with CMS

October 31st CMS will let us know the final pass through funding.

CSI will examine the affairs of the Board and the program before the end of the year as part of their audit.

5. Plan of Operations-Payment Parameters

Nick reminded everyone that there is a subgroup that met to determine how the MLR calculation would be handled on a go forward basis. After analysis it was determined that they 3-year credibility adjusted basis is not required, and we can change it to 1 year. CMS felt that it would be more difficult to meet the 80% in one-year vs over the 3 years, but there is a federal section that allows just to change it. Mary stated they are willing to put it in the housekeeping bill if the Board believes it is the carriers' best interest. The carriers and representatives are fine with the 1 year, they feel it is operationally easier.

Motion to change the statute to MLR of 1 year and have CSI incorporate that in the Housekeeping bill was made, seconded and carried.

6. Website Design

Laren wanted to update the Board on River 9 updating the website and it is in process. River 9 will then post items and keep it up to date. Expected completion time is November.

Mary noted that the governor's office was fine with the transition to River 9.

7. Auditor Selection

River 9 usually works with Boards at this time to get auditors in place. River 9 works with Eide Bailly and they are a firm that is knowledgeable on reinsurance and the single audits. The discussion continued if an RFP should be done. River 9 could send the RFP out to potential vendors, Eide Bailly, Newland & Co., and Anderson ZurMuehlen. They will check with the Montana CPA society since we are using public funds and it might be better to do a broadcast RFP through the website.

8. Program Timing/Calendar

Mary discussed the highlighted items to make sure that these items were done. Sean will be checking into these to make sure they are done so that when the audits are completed, we can show compliance.

The date of 8/1 for the budget is not statutory, it is only in the Plan of Operations so more flexibility is available for setting the budget for the next year. Possibly an actuarial subgroup or hiring an actuary would be the best route for budgeting. The discussion continued if River 9 would be able to make and provide a budget with the assistance of CSI. Wakely may be able to assist and may have the necessary items already on hand. Laren will check with Wakely on a cost.

Ashley discussed the timing of reinsurance claim payments, currently statute states by August 15th, it might be better to use a by December 31st instead. It would require a legislative change, but the commissioner has agreed to do this as a Housekeeping change.

Motion to ask CSI to place a no later than December 31st for the timing of reinsurance claims payments into the Housekeeping bill was made, seconded and carried.

9. Distribution List

Any direction from the Board as to how River 9 should distribute information, just to Board member, CSI, and Legal or if everyone listed works. After a short discussion it was determined that each Board member will provide River 9 with their own contacts to be added to the distribution list for meeting etc.

There is an annual public meeting, but all the meetings are public. There will be contact information on the website if someone wants to join. Once they provide their information to River 9, they will receive the passcode.

10. Other Business/Legislative Updates

None currently.

11. Public comment

No public comments

12. Next Meeting Date

2nd Thursday following the end of the quarter. Next meeting January 14 2020.

13. Wrap-up and Adjourn

The meeting adjourned at 2:37 pm.

Respectfully Submitted,

River 9 Consulting, Inc.