

BOARD MEETING MINTUES
MONTANA REINSURANCE ASSOCIATION

May 19, 2022; 9:00 a.m. to 10:00 a.m.

Via Zoom: (669) 900-6833 Meeting ID: 931 155 4655

Board Members: Richard Miltenberger, Richard Daniels, Tony Pfaff,
Collette Hanson, Erik Wood

Board Members Present

- Richard Miltenberger (Mountain Health Co-op)
- Collette Hanson (BCBSMT)
- Richard Daniels (Allegiance)
- Erik Wood (PacificSource)
- Tony Pfaff (Cypress Health)

Board Members Not Present

Others Present

- Mark Florian (PacificSource)
- Clara Comes (PacificSource)
- Troy Downing (Commissioner, CSI)
- Julie Peper and Lydia Tolman (Wakely)
- Sean Slanger (Jackson, Murdo & Grant)
- Bruce Spencer (Bruce Spencer Law)
- CSI (Mary Belcher and Erin Snyder) 5 PEOPLE IN THE ROOM FROM CSI
- Drew Cziok (Assistant Attorney General)
- River 9 (Laren Walker and Diane Kopecky)
- Nick Racine & Lisa Kelley(BCBSMT)
- Nic Ramey-(Leif)
- Jason Lindstrom (Eide Bailly)
- Clair Christofersen
- Christopher Herrings
- 6155790797
- 4064375263

Welcome and Call to Order – Richard Miltenberger, Chair

1. Approval of the Minutes

Due to this being a special meeting no minutes were presented for approval. They will be available at the scheduled quarterly meeting July 21, 2022.

2. Wakely Report

Julie discussed the Wakely report and the changes since the last meeting. She has updated the 2020 and 2021 information to the financials already provided, adjusting expenses and state revenue. There also were changes to enrollment, the trends, and the impact of COVID, overall, this reduced the estimates for claims costs for 2022 and 2023. Julie explained the sensitivity testing that they did do. Nationally they are estimating double digit increases for 2023. 2024 will also be another challenging year for the program. The discussion continued among the Board since there are still uncertainties. There are always moving pieces, so Wakely has provided 3 options for 2023 parameters, \$1 million in reserve, \$.5 million in reverse and no reserves. They are suggesting various caps for 2023 and holding the \$40,000 steady. The Board discussed the value of the program and the options provided.

Motion to accept the first option of a \$1 million reserve, \$40,000 attachment point, co-insurance 60%, and the annual cap of \$80,800 as 2023 parameters was made by Richard Miltenberger. It was seconded by Collette Hanson and carried.

3. Audited Financial Statements

Jason Lindstrom from Eide Bailly discussed the changes to the audited Financial Statements since the last meeting. Wakely has adjusted the IBNR estimate down to \$39,115,504 making the ending net position \$(39,257,357). Second, CSI has adjusted the estimated assessment revenue on the statistical page. Finally, Eide Bailly has updated Note 3 for the IBNR.

Motion to approve 2021 Audited Financial Statements was made by Rich Daniels. The motion was seconded by Erik Wood and carried.

The audited financial statements will be provided to the appropriate departments before June 30, 2022.

4. Definition of Premium for Assessments

Mary presented Drew's analysis regarding the premium base for assessments. CSI feels first you define a member, then you go to the next statute that allows CSI to reach the premium for those residing in Montana that were not renewed in Montana. Erin presented her analysis on what they billed and what they could have billed based on the state pages. Sean feels that this does not require Board attention since CSI has the final say, but they are looking for Board insight on the matter. CSI would like the Board to think about Premium Tax and the risk in Montana to amend the definition to broaden the base. There legislative session will be beginning, so if there is input, they would like to know.

5. Other Business/Legislative Updates

The commissioner has signed the updated Plan of Operations, and CSI will get it updated with 2023 parameters and it will be forwarded to River 9 to post. Eliminate the funding for the run out claims is in process and Drew will be modifying the language it will be forward to the board for review.

6. Public Comment

No public comment

7. Next Meeting Date

The next quarterly meeting will be held on Thursday July 21, 2022.

8. Wrap-up and adjourn.

The meeting adjourned at 10:15 a.m.

Respectfully Submitted,

River 9 Consulting, Inc.