

**BOARD MEETING MINTUES**  
**MONTANA REINSURANCE ASSOCIATION**

April 27, 2023; 1:00 p.m. to 3:00 p.m.

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

**Board Members Present**

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

**Board Members Not Present**

- Tony Pfaff (Cypress Health)

**Others Present**

- Clara Comes (PacificSource)
- Wakely (Julie Pepper, Lydia Tolman)
- Sean Slanger (Jackson, Murdo & Grant)
- Bruce Spencer (Bruce Spencer Law)
- Nic Ramey (Leif)
- CSI (Mary Belcher, Erin Snyder, Nikki Davison, Drew Cziok, David Dombrowski, Frank Cote)
- River 9 (Laren Walker and Diane Kopecky)
- BCBSMT (Nick Racine)

**Welcome and Call to Order – Richard Miltenberger, Chair**

**1. Approval of the Minutes**

Minutes from January 19, 2023, board meetings were discussed.

*A motion was made by Rich Daniels to approve the minutes. The motion was seconded by Collette Hanson and carried.*

**2. Audit Financial Report**

Jason Lindstrom and Jodi Daugherty presented the draft of the Auditors Report for the 2022 Audit of the Financial Statements with an unmodified (clean) opinion and noted that they are presented according to GAAS. Jason noted that the IBNR may change based on the presentation from Wakely today so there may be a change in the final audit report.

Both Jason and Laren discussed the unaudited Statistical Information page noting they will be changing the numbers according to the Wakely report from today. The auditors will add a reference so it is clear that the numbers come from the actuarial report.

Jodi discussed one control finding that is the same as prior years. This finding is common in small organizations and does not present any concerns. The finding is that Eide Bailly has prepared these financial statements according to GAAP instead of the organization preparing them. Jodi also explained the other letters included that address the 1332 Single Audit noting that there were no material weaknesses or significant deficiencies identified.

*A motion was made by Collette Hanson to approve the audited financial statement subject to Wakely IBNR changes and CSI comments with a financial review at the July 20<sup>th</sup> meeting. The motion was seconded by Erik Wood and there was no public input. Motion carried.*

### **3. Approval of the 2021 claims paid in December 2022**

*Motion to accept these claims was made by Collette Hanson. The motion was seconded by Rich Daniels and there was no public input. Motion carried.*

### **4. Operational Report**

Laren Walker presented the 1st Quarter Operations Report noting that operations are running smoothly and that a lot has gone into the audit and 1332 grant reporting.

### **5. Seek MRA board concurrence for 1332 extension.**

The continuation of the 1332 grant must be applied for, and CSI is seeking approval from the Board to go ahead and work on this along with establishing a committee to handle it.

*A motion to move towards the extension of the waiver and establish a committee in the whole was made by Collette Hanson. The motion was seconded by Erik Wood and there was no public input. Motion carried.*

### **6. Procurement Policy**

Sean advised the board that he is working with Drew on a procurement Policy. They will have it out shortly for the board's review and then it will be added to the agenda at the July 20<sup>th</sup> meeting.

**7. Discuss 2024 reinsurance parameters.**

Wakely discussed their report noting that they have changed their assumptions for 2022 and 2023. One noteworthy item is that the Federal pass-through funding came in much higher than expected for 2023. Also, the state funding will increase this year because CSI has determined that they can assess premiums on all Montana residents, not just those policies originating in Montana. Different scenarios were presented for 2024 with different caps and reserves.

*A motion to set the 2024 parameters at \$40,000 deductible, 60% coinsurance and a cap of \$90,000 was made by Erik Wood. The motion was seconded by Rich Daniels and there was no public input. Motion carried.*

Wakely will model the scenario made in the motion and get it out to the board.

**8. Other Business/Legislative Updates**

Deputy Belcher explained that House bill 156 that addresses program runout was signed by the governor. The Plan of Operations will need to be amended to reflect HB 156 and amended to reflect the 2024 parameters.

CSI is working through the draft of audit findings from their internal audit. The findings have largely been related to the reinsurance program. Mary Belcher will be presenting this information either at the next board meeting or at a Special Board meeting if determined necessary. Mary announced that she will be stepping away from her activities associated with MRA. The CSI team will be Erin, Nikki, Mark, Drew and Frank.

**9. Public Comment**

No public comment

***At this point River 9 left the meeting so the Board could continue their discussion. Rich Daniels also exited the meeting due to a scheduling conflict.***

**10. Executive Director position and RFP for Administrative Servicers**

*A motion was made by Collette Hanson to extend the contract with River 9 for one additional year. Motion was seconded by Erik Wood and carried.*

Collette Hanson offered the boards' thanks to River 9 for the good work they have done.

*A motion was made by Erik Wood to authorize the Chair to hire a part time executive Director. The motion was seconded by Collette Hanson and there was no public input. Motion carried.*

**11. Next Meeting Date**

The next quarterly meeting will be held on Thursday July 20, 2023.

**12. Wrap-up and adjourn.**

The meeting adjourned at 2:28 p.m.

Respectfully Submitted,

River 9 Consulting, Inc.