

BOARD MEETING MINUTES
MONTANA REINSURANCE ASSOCIATION
November 7th, 2025, 11:00 – 12:00 MST
Virtual Meeting

Board Members Present

- Andrew (Drew) Cziok (BCBSMT)
- Beau Larson (Allegiance/Cigna)
- Blair Fjeseth (Mountain Health Co-op)
- Erik Wood (PacificSource)

Board Members Not Present

- Tony Pfaff (Cypress Health)

Others Present

- Raelynn Williams (MRA Executive Director)
- Dave Sedlock (MRA Director of IT Operations)
- BCBSMT (Courtney Ehlert, Kate Ellis)
- Bruce Spencer (Mountain Health Co-op, Spencer Law Offices)
- Wakely (Lydia Tolman, Jenna Hegemann)
- Nic Ramey (Leif)
- CSI (Erin Snyder, Amber Long-Thorvilson, Ashley Perez, Karen Pocha-Melby)
- Troy Pritchett (Mountain Health Co-op)
- Clara Comes (PacificSource)
- Hannah Gomel (Wall, McLean & Gallagher)

1. Welcome and Call to Order - Drew Cziok, Chair, 11:01 am

2. Changes to the Agenda

No changes were noted

3. Approval of May 28th Minutes

No changes were noted

A motion to approve the minutes was made by Blair Fjeseth and was seconded by Beau Larson. Motion carried.

4. 2025 Pass Through Report

Wakely presented updated estimates for 2025 pass-through funding. Key assumptions were revised to reflect the continued lack of cost-sharing reduction funding and the potential expiration of enhanced premium tax credits (APTCs). The per-member-per-month (PMPM) funding estimate was updated to \$61.47. Enrollment projections for 2026 were slightly improved from spring estimates due to fewer disenrollment factors and updated Urban Institute modeling. Discussion covered impacts of potential policy changes, reinsurance funding implications, and the importance of monitoring CMS guidance regarding any extension of APTCs. Wakely confirmed the pass-through report was submitted to the CSI before October 30, and no further adjustments are expected unless federal policy changes occur. Wakely recommended that the CSI reach out to CMS to understand what will happen if EPTC credits are extended.

5. MRA Policy Update

Drew reported that updated policy drafts are being finalized by our legal counsel for CSI review, with the goal of board approval before year-end. The new policy framework will consolidate federal requirements and improve operational clarity. Board members expressed appreciation for the responsiveness of counsel in preparing the revisions.

6. Workman's Comp Audit

RaeLynn noted that the association completed a workers' compensation audit for the period of September 2024–September 2025. Final reported wages totaled \$62,708, aligning closely with the \$60,000 estimate used for premium calculation. No issues were identified. RaeLynn will provide a copy of the audit documentation to CSI for their records.

7. Third Quarter Operational Report

RaeLynn noted that the MRA's financial position remains stable. The cash balance is \$907, with \$29,311 in accounts payable, primarily for professional fees and administrative expenses. The Incurred But Not Reported (IBNR) liability for 2024 claims remains at \$58 million. Assessment revenue of \$3.5 million was received for the remaining 2023 claim settlement payment, and grant revenue of \$150,000 was received year-to-date for administrative expense reimbursement, lower than prior years due to the discontinuation of the River Nine administrative fees. Federal grant tracking and draws remain current and accurate. No concerns were noted.

8. Claims Settlement Update

Erin and RaeLynn noted that significant progress has been made using new EDGE data files for claim settlement calculations. Dave Sedlock has led coding and RaeLynn and Dave have engaged in extensive testing efforts to validate the new process. Preliminary projections suggest 2024 claim reimbursements may exceed the \$58.3 million IBNR estimate, potentially nearing \$60 million. Available funding totals approximately \$50 million, requiring a proportional (pro rata) reduction in reimbursements. Erin's team will validate settlement data and communicate with carriers prior to payment distribution in December. Carriers will have an opportunity to compare totals to their calculations and discuss any differences. A brief board meeting or email approval may be scheduled once final amounts are confirmed.

9. MRA Insurance Discussion

Following an observation from the financial audit, Drew and RaeLynn reviewed its insurance coverage needs after the River Nine contract termination. RaeLynn obtained one quote for Directors and Officers (D&O) insurance totaling approximately \$9,167. Errors and Omissions (E&O) coverage quotes remain under review due to underwriting uncertainties. The board discussed the need to clarify potential liability exposure, confirm whether the association may be indemnified by the State of Montana, and determine whether separate fidelity coverage may be necessary. Legal counsel (Stefan Wall and Hannah Gomel) will investigate and advise further. CSI offered to consult with state Risk Management and Tort Defense to gather comparable examples from similar entities.

10. Actuarial RFP

The board reviewed and approved issuance of a new Request for Proposals (RFP) for actuarial services to succeed the current Wakely contract expiring at year-end. The RFP will cover services through 2027 with renewal options for up to five additional years that would take us past the term of the current waiver. The Board Chair proposed two amendments: (1) The written questions deadline was extended from November 20 to December 1, 2025; and (2) Responses to bidder questions will be posted publicly on the MRA website prior to the submission deadline.

RaeLynn will finalize the RFP with these changes and release it for solicitation.

A motion was made by Beau Larson to adopt the changes and seconded by Blair Fjeseth. All board members approved unanimously.

11. Financial Update and Statutory Appropriation

Amber shared that House Bill 281 passed and was signed by the Governor on May 12, 2025, implementing a statutory appropriation for the reinsurance fund. A sunset clause was added, effective December 2029, which coincides with the end of the current grant. Budget setup is underway, ensuring stable access to state funding for future claim distributions.

12. Open Forum

No discussion

13. Public Comments

No public comments

14. Wrap-up and Adjourn

Meeting adjourned at 3:25 pm