

# Massachusetts Municipal Reinsurance Arrangement (MMRA)

## Board Meeting

May 21, 2015 at 11:30 AM

Arthur J. Gallagher & Co. Offices  
50 Braintree Hill Office Park, Ste. 310  
Braintree, MA

### Primary and Alternate Board members present:

Francis "Skip" Finnell	Cape Cod Municipal Health Group (CCMHG)
Noreen Mavro-Flanders	Cape Cod Municipal Health Group (CCMHG)
Anthony Logalbo	Minuteman Nashoba Health Group (MNHG)
Marc Waldman	West Suburban Health Group (WSHG)
Daniel Morgado	West Suburban Health Group (WSHG)

### Guests present:

Tracey May	Arthur J. Gallagher & Co. (AJG)
Michael Madden ( <i>by conference call</i> )	Artex Risk Solutions, Inc.
Manjusha Sheobaran	Berkley Insurance Company
John R. Sharry	Group Benefits Strategies (GBS)
Carol Cormier	Group Benefits Strategies (GBS)

The Mass. Municipal Reinsurance Arrangement, The MMRA Series of Sentinel Indemnity, LLC, ("the MMRA") became operational on July 1, 2014. This was the second meeting of the Board comprised of representatives of the three participating Mass. municipal joint purchase groups: Cape Cod Municipal Health Group (CCMHG), Minuteman Nashoba Health Group (MNHG), and West Suburban Health Group (WSHG). The meeting was opened at 11:45 AM.

### Election of MMRA Board Chair:

Noreen Mavro-Flanders nominated Marc Waldman as Chair.

Tony Logalbo seconded the nomination.

There were no other nominations.

The vote to elect Marc Waldman as MMRA Chair was unanimous.

### Approval of the minutes of the December 2, 2014 meeting:

Tony Logalbo moved to approve the minutes of the December 2<sup>nd</sup> meeting as written.

Skip Finnell seconded the motion. The minutes were approved by unanimous vote.

### Review of MMRA financial reports:

Mike Madden, Artex Risk Solutions, reviewed the MMRA Quarterly Management report year to date through March 31, 2015. He noted that the Incurred But Not Reported (IBNR) losses (claims) were artificial and set to break even. The Earned Policy Premium to date was \$3,779,317, of which \$1,026,220

was Berkley's Retained Excess and \$680,277 were program expenses. The MMRA Loss Fund on 3/31/2015 was \$2,072,820. The paid specific claims amount was \$499,265. The Non-Premium Funding (collateral) was \$1,739,956.

Manjusha Sheobaran, Berkley Insurance, reviewed the report that she prepared that included April data. The reimbursed specific claims amount was \$576,020 with an additional \$366,328 paid but not reimbursed (PBNR). She said that the MMRA fund balance on 4/30/15 was \$3,301,788 without taking into account IBNR.

Ms. Sheobaran agreed to provide her report on a monthly basis.

**Proposed FY16 quotes summaries**

Ms. Sheobaran said that the FY16 rates have not been finalized, but said she expects them to be 10-12% above the current rates. She said the increase is driven by one claimant whose claims are expected to reach \$1 million or more this year and again next year. She said there is an approximate 1.5% increase to Berkley's expenses.

**Issues with health plan stop loss reporting:**

Tracey May explained that Blue Cross Blue Shield of MA (BCBSMA) is charging substantial fees for stop loss reporting and that the other carriers do not charge for this service. He said that BCBSMA reports are not timely and generally are not as comprehensive as those of the other carriers. Mr. May said that Gallagher has been in discussions with BCBSMA on this topic with no resolution. He said Gallagher paid the fees to avoid a shutdown in reporting by BCBSMA.

There was a discussion. It was agreed that the MMRA will write a letter to BCBSMA protesting the practice of charging fees. It was suggested that the member units of MMRA may want to co-sign and that there may be other employer groups that join the effort as well.

Mr. Logalbo had some suggestions for the letter and volunteered to review the draft letter which Ms. Cormier agreed to write.

**Transplant insurance:**

Marc Waldman said that the Board had heard a presentation on transplant insurance at a previous meeting and that there did not seem to be much interest in it.

Majusha Sheobaran said that step-down deductibles might be a better alternative to transplant insurance. She provided some statistics on transplants. She said typical transplant policies have a one-year blackout period for known transplant candidates.

It was agreed that the topic of step-down deductible provisions would be placed on the next agenda.

**Other Business:**

There was a discussion about the MA Group Insurance Commission (GIC), its deficit, lack of financial transparency, and plan design changes.

There was no other business.

Chair Marc Waldman adjourned the meeting at 1:35 PM.

*Minutes prepared by Carol Cormier  
Group Benefits Strategies*