



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

FINANCIAL AUDIT COMMITTEE – SEPTEMBER 12, 2017

Members Present

Mr. Thomas Harris – Vice Chair
Mr. Matthew Anglim
Ms. Pamela Bodenstab-Krynicky
Mr. Brian Breeden⁽¹⁾
Mr. Peter Chung⁽²⁾
Mr. Thomas LaFrancois
Mr. David McCormick

Quincy Mutual Group
Plymouth Rock Assurance Corporation
P L Krynicky Insurance Agency
MAPFRE U.S.A. Corporation
The Norfolk & Dedham Group
Arbella Insurance Group
McCormick & Sons Insurance Agency, Inc.

Substituted for:

⁽¹⁾Mr. Robert McKenna - Chair

⁽²⁾Mr. Sean Moone

Not in Attendance:

N/A

17.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Financial Audit Committee meeting of February 8, 2017. The Records have been distributed and are on file.

17.05 Annual Audit of CAR for Fiscal Year Ending 2017

Mr. Peter Brennan of PricewaterhouseCoopers (PwC) presented his recommendation regarding the engagement parameters for the 2017 review and Agreed Upon Procedures (AUP) plan. He discussed the audit procedures in detail with the Committee, noting that this will be the fifth year since CAR transitioned away from the unqualified financial opinion to the current audit approach. The 2017 procedures will continue to focus primarily on IT controls and transactions relevant to CAR's administrative expenses. Mr. Brennan confirmed the 2017 audit fee of \$106,900 reflecting a 3% increase over 2016, and provided a basic timeline for the planning, execution and completion of the engagement.

After discussion regarding components of the AUP to be performed in conjunction with the Audit Review, the Committee members voted unanimously to recommend that the Governing Committee approve the engagement parameters as proposed by PwC for the review of CAR's fiscal year 2017 financial statements, including the AUP as presented, recognizing that the procedures are sufficient for their intended purpose, and that access to the AUP report would be limited to CAR, its committees and

subcommittees, its Member Companies and the Division of Insurance. The Committee also recommended that the President be directed to execute the engagement letters on behalf of CAR.

MARK ALVES
Director – Compliance Audit

Boston, Massachusetts
September 15, 2017

ATTACHMENT LISTING

Docket #FAC17.02, Exhibit #2

Attendance Listing

