



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

FINANCIAL AUDIT COMMITTEE – FEBRUARY 7, 2018

Members Present

Mr. Robert McKenna – Chair	MAPFRE U.S.A. Corporation
Mr. Matthew Anglim	Plymouth Rock Assurance Corporation
Ms. Pamela Bodenstab-Krynicky	P L Krynicky Insurance Agency
Ms. Linda Chaplin ⁽¹⁾	Quincy Mutual Group
Mr. David McCormick	McCormick & Sons Insurance Agency, Inc.
Mr. Sean Moone	The Norfolk & Dedham Group

Substituted for:

⁽¹⁾Mr. Thomas Harris

Not in Attendance:

Mr. Thomas LaFrancois

Arbella Insurance Group

17.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Financial Audit Committee meeting of September 12, 2017. The Records have been distributed and are on file.

18.04 Annual Audit of CAR for Fiscal Year Ending 2017

Mr. Peter Brennan, representing PricewaterhouseCoopers (PwC), provided a detailed overview that emphasized the reduction in scope between a traditional audit in accordance with generally accepted auditing standards and those procedures conducted by PwC to perform CAR's engagement. Mr. Brennan advised that, based on the agreed upon procedures performed in accordance with standards established by the American Institute of Certified Public Accountants, and its review of CAR's financial statements, PwC will issue a clean, unqualified review report as of and for the year ended September 30, 2017. Mr. Brennan discussed the procedures performed, and stated that no management letter items are noted. Mr. Brennan also stated that no changes were made to the agreed upon procedures. Finally, Mr. Brennan explained that, while the financial statements and review report will be available upon request submitted to CAR management, the AUP report is intended for the CAR Governing Committee and Member Companies only. To that end, he advised that a copy of the required acknowledgement form is included with the Financial Audit Committee communications. After a brief discussion, the Committee unanimously voted to recommend Governing Committee approval of CAR's financial statements for the fiscal year ending September 30, 2017.

18.05 Independent Auditor Contract Review

The independent audit services contract agreement between CAR and PwC expires at the conclusion of the fiscal year 2017 engagement. Pursuant to CAR's contract review policy, the Committee considered whether to recommend that the contract be extended an additional year or to direct CAR staff to conduct a Request for Proposal. The Committee unanimously voted to recommend that the Governing Committee extend the contract for auditor services with PwC through Fiscal Year 2018.

MARK ALVES
Director – Compliance Audit

Boston, Massachusetts
February 9, 2018

ATTACHMENT LISTING

Docket #FAC18.02, Exhibit #1

Attendance Listing

