



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

FINANCIAL AUDIT COMMITTEE – SEPTEMBER 5, 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
Mr. Thomas Harris	Quincy Mutual Group
Mr. Thomas LaFrancois	Arbella Insurance Group
Mr. David McCormick	McCormick & Sons Insurance Agency, Inc

Substituted for:

N/A

Not in Attendance:

Mr. Sean Moone

The Norfolk & Dedham Group

18.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Financial Audit Committee meeting of February 7, 2018. The Records have been distributed and are on file.

18.06 Annual Audit of CAR for Fiscal Year Ending 2018

Mr. Peter Brennan of PricewaterhouseCoopers (PwC) presented his recommendation regarding the engagement parameters for the 2018 review and Agreed Upon Procedures (AUP) plan. He discussed the audit procedures in detail with the Committee, noting the 2018 procedures will continue to focus primarily on IT controls and transactions relevant to CAR's administrative expenses. After discussion pertaining to specific wording in the AUP regarding sample selections, Mr. Brennan informed the Committee that language would be adjusted upon completion. Also, Mr. Brennan confirmed the 2018 audit fee of \$110,100 reflecting a 3% increase over 2017, 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 2018 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 12, 2018

ATTACHMENT LISTING

Docket #FAC18.02, Exhibit #2

Attendance Listing

