



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

FINANCIAL AUDIT COMMITTEE – AUGUST 26, 2020

Members Present

Mr. Thomas LaFrancois – Chair	Arbella Insurance Group
Ms. Pamela Bodenstab-Krynicky	P L Krynicky Insurance Agency
Mr. Brian Breeden	MAPFRE U.S.A. Corporation
Mr. David McCormick	McCormick & Sons Insurance Agency, Inc.
Mr. Sean Moone	The Norfolk & Dedham Group

Substituted for:

N/A

Not in Attendance:

Mr. Matthew Anglim, Plymouth Rock Assurance Corporation

20.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the Financial Audit Committee meeting of February 4, 2020. The Records have been distributed and are on file.

20.05 Annual Audit of CAR for Fiscal Year Ending September 30, 2020

Mr. John Buckley of AAFCPA presented his recommendation regarding the engagement parameters for the 2020 review and Agreed Upon Procedures (AUP) plan. He discussed the audit procedures with the Committee, noting the 2020 procedures will continue to focus primarily on transactions relevant to CAR's administrative expenses and IT controls. After discussion pertaining to specific wording in the AUP regarding confirmation versus comparison testing for a specific procedure, Mr. Buckley informed the Committee that language would be adjusted upon completion. Also, Mr. Buckley confirmed the 2020 audit fee of \$78,000 reflecting a 4% increase over 2019, and provided a basic timeline for the planning, execution and completion of the engagement.

After discussion regarding the logistics of performing the engagement remotely, both CAR staff and AAFCPA agreed that working remotely should have no impact to the audit. On a roll call vote, the Committee members voted unanimously to recommend that the Governing Committee approve the engagement parameters as presented by AAFCPA for the review of CAR's fiscal year 2020 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 CAR's President be directed to execute the engagement letters on behalf of CAR.

MARK ALVES
Director – Compliance Audit

Boston, Massachusetts
September 2, 2020

ATTACHMENT LISTING

Docket #FAC20.02, Exhibit #2

Attendance Listing

