



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

FINANCIAL AUDIT COMMITTEE – FEBRUARY 2, 2021

Members Present

Mr. Thomas LaFrancois – Chair	Arbella Insurance Group
Mr. Matthew Anglim	Plymouth Rock Companies
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	Norfolk & Dedham Group
Mr. Brian White	Safety Insurance Company

Substituted for:
N/A

Not in Attendance:
N/A

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 August 26, 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, representing Alexander, Aronson, Finning & Co. (AAF CPA), provided a detailed overview that highlighted the difference in scope of a traditional audit in accordance with generally accepted auditing standards and those procedures conducted by AAF CPA to perform CAR's engagement. Mr. Buckley 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, AAF CPA will issue a clean, unqualified review report as of and for the year ended September 30, 2020. Mr. Thomas Perruna, representing AAF CPA, discussed the procedures performed, and stated that no exceptions or adjustments were noted.

Mr. Buckley then discussed the rise in cyber security concerns that many companies must consider in protecting their systems and data. He noted that the IT procedures performed were limited to user controls and user access and not an in-depth IT evaluation. He indicated that the Committee could consider a separate cyber security risk assessment or add additional procedures specific to IT security in the future, if warranted. The Committee took the note under advisement. In closing, Mr. Buckley commented that

the review of the procedures prior to the engagement was helpful and that AAFCPA would work with management to recommend further enhancements for the 2021 engagement proposal.

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, 2020.

MARK ALVES
Director – Compliance Audit

Boston, Massachusetts
February 4, 2021

ATTACHMENT LISTING

Docket #FAC21.02, Exhibit #1

Attendance Listing

