



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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## RECORDS OF MEETING

### BUDGET COMMITTEE – SEPTEMBER 8, 2022

#### Members Present

Mr. John Olivieri – Chair  
Ms. Elizabeth Brodeur  
Ms. Sarah Clemens  
Mr. Thomas DePaulo  
Mr. William Hughes  
Ms. Meredith Woodcock

J.K. Olivieri Insurance Agency, Inc.  
Safety Insurance Company  
MAPFRE U.S.A. Corporation  
Cabot Risk Strategies, LLC  
Arbella Insurance Group  
Liberty Mutual Insurance Companies

Substituted for:  
N/A

Not in Attendance:  
N/A

#### 21.01 Records of Previous Meeting

On a roll call vote, the Committee voted with three members in favor and two abstained to approve the Records of the Budget Committee meeting of August 24, 2021. The Records have been distributed and are on file.

#### 22.04 Fiscal Year 2023 Budget and Business Plan

Ms. Natalie Hubley reviewed highlights of CAR's proposed fiscal year 2023 business plan which describes the organization's operational objectives. She advised that the objectives are targeted toward continued momentum to improve commercial results, as well as toward enhancements in support of the private passenger residual market and the improved efficiency in the delivery of services to CAR's customers. Ms. Hubley noted that the status of progress with respect to the operational objectives described in the business plan will be assessed by the Personnel Committee late next year in evaluating the President's performance.

Mr. Steven Gautieri advised that CAR management is requesting a FY23 budget allocation of \$9,775,900, which represents an increase of 2.3%, or \$222,900, over FY22. Further he noted that staff expects to close FY22 \$22,200 under budget and that the proposal recommends the surplus be allocated to fund CAR pension expenses, consistent with the strategy adopted in 2013.

Mr. Gautieri presented a detailed review of the proposed FY23 budget, providing explanations and rationale of variances between FY22 and FY23. Committee discussion followed relating to employee costs and office space expenses. Staff advised that, while the shift from employee-based to contract-based IT resources has little net impact on current total expenses, the strategy supports CAR's long-standing mission to incorporate outside resources where long-term cost efficiencies result. These activities support management's gradual implementation of strategic succession planning objectives. Ms. Hubley further advised the Committee relative to on-going discussions with her counterparts in the like organizations relative to opportunities for potential office-space savings at lease end.

**After discussion, on a roll call vote, the Committee unanimously voted to recommend to the Governing Committee approval of the FY23 administrative expense budget and business plan as proposed.**

STEVEN GAUTIERI  
Controller

Boston, Massachusetts  
September 9, 2022

**ATTACHMENT LISTING**

Docket #BC22.02, Exhibit #1

Attendance Listing

**BUDGET COMMITTEE MEETING  
MEETING ATTENDEES  
SEPTEMBER 8, 2022**

Individual's Name

Company / Agency

PLEASE PRINT

|                       |                                       |
|-----------------------|---------------------------------------|
| M. John Olivieri, Jr. | J. K. Olivieri Insurance Agency, Inc. |
| Elizabeth Brodeur     | Safety Insurance Company              |
| Sarah Clemens         | MAPFRE U.S.A. Corporation             |
| Thomas DePaulo        | Cabot Risk Strategies, LLC            |
| William Hughes        | Arbella Insurance Group               |
| Meredith Woodcock     | Liberty Mutual Insurance Companies    |
| Wendy Browne          | CAR Staff                             |
| Tim Costain           | CAR Staff                             |
| Steven Gautieri       | CAR Staff                             |
| Natalie Hubley        | CAR Staff                             |
| Jennifer Kwan         | CAR Staff                             |
| Peter McCabe          | CAR Staff                             |
| David Perfetti        | CAR Staff                             |
| Robin Tigges          | CAR Staff                             |