



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

FINANCIAL AUDIT COMMITTEE – AUGUST 25, 2021

Members Present

Mr. Thomas LaFrancois – Chair	Arbella Insurance Group
Ms. Pamela Bodenstab-Krynicky	P L Krynicky Insurance Agency
Mr. David McCormick	McCormick & Sons Insurance Agency, Inc.
Mr. Sean Moone	Norfolk & Dedham Group
Mr. Joseph Mullen ⁽¹⁾	Pilgrim Insurance Company
Mr. Brian White	Safety Insurance Company

Substituted for:

⁽¹⁾Mr. Matthew Anglim, Plymouth Rock Assurance Corporation

Not in Attendance:

Mr. Brian Breedan, MAPFRE U.S.A. Corporation

21.01 Records of Previous Meeting

On a roll call vote, the Committee voted unanimously with one abstention, to approve the Records of the Financial Audit Committee meeting of February 2, 2021. Mr. Joseph Mullen of Pilgrim abstained. The Records have been distributed and are on file.

21.04 Annual Audit of CAR for Fiscal Year Ending 2021

Mr. Thomas Perruna of AAFCPA presented his recommendation regarding the engagement parameters for the 2021 review and provided a basic timeline for the planning, execution, and completion of the engagement. Mr. John Buckley, also of AAFCPA, then discussed the Agreed Upon Procedures (AUP) plan. He informed the Committee of new auditing attestation standards that dictate the use of certain language in AUP engagements. He noted that the updates contained in the 2021 procedures does not change the actions performed by the auditor but adjust specific wording within the AUP to adhere to the new standards. He further discussed the audit procedures with the Committee noting the 2021 procedures will continue to focus primarily on transactions relevant to CAR's administrative expenses and IT controls. Also, Mr. Buckley confirmed the 2021 audit fee of \$80,000 reflecting a 4% increase over 2020.

After discussion, 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 2021 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
August 26, 2021

ATTACHMENT LISTING

Docket #FAC21.02, Exhibit #2

Attendance Listing

**FINANCIAL AUDIT COMMITTEE MEETING
MEETING ATTENDEES
AUGUST 25, 2021**

Individual's Name

Company / Agency

PLEASE PRINT

Thomas LaFrancois	Arbella Insurance Group
Pamela Bodenstab-Krynicky	P.L. Krynicky Insurance Agency
David McCormick	McCormick & Sons Insurance Agency, Inc.
Sean Moone	Norfolk & Dedham Group
Joseph Mullen	Pilgrim Insurance Company
Brian White	Safety Insurance Company
John Buckley	AAFCPA
Thomas Perruna	AAFCPA
Mark Alves	CAR Staff
Wendy Browne	CAR Staff
Steven Gautieri	CAR Staff
Natalie Hubley	CAR Staff
David Perfetti	CAR Staff
Robin Tigges	CAR Staff