



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

www.commauto.com

617-338-4000

RECORDS OF MEETING

FINANCIAL AUDIT COMMITTEE – FEBRUARY 7, 2023

Members Present

Mr. Thomas LaFrancois – Chair	Arbella Insurance Group
Mr. Matthew Anglim	Plymouth Rock Assurance Corporation
Ms. Pamela Bodenstab-Krynicky	P L Krynicky Insurance Agency
Mr. Christopher Burke	Safety Insurance Company
Mr. Sean Moone	Norfolk & Dedham Group
Mr. Henry Risman	Risman Insurance Agency, Inc.

Substituted for:
N/A

Not in Attendance:
Mr. Brian Breedan, MAPFRE U.S.A. Corporation

22.01 Records of Previous Meeting

On a roll call vote, the Committee voted unanimously to approve the Records of the Financial Audit Committee meeting of September 13, 2022. The Records have been distributed and are on file.

22.04 Annual Audit of CAR for Fiscal Year Ending September 30, 2022

Mr. John Buckley, representing Alexander, Aronson, Finning & Co. (AAF CPA), discussed the review of CAR's financial statements indicating that no differences were noted, and no adjustments were needed. 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 ending September 30, 2022. Mr. Thomas Perruna, representing AAF CPA, discussed the procedures performed and the auditor findings.

In response to a question regarding one tested Servicing Carrier without certain reports, Mr. Steven Gautieri explained that CAR's Settlement of Balances procedures allow that company groups may opt to share in CAR's underwriting results and administrative expenses either individually or as a group; the latter being the case of the tested Servicing Carrier, therefore the assumed balances are reflected on the group's Settlement of Balance Reports. One committee member also observed the large variance in the cash balance on the balance sheet as of 9/30/2022 versus 9/30/2021. Mr. Gautieri explained that the accounts receivable

balances for the September quarter cash flow were due prior to the close of the 2022 fiscal year, and accounts payable balances were due to participating Member Companies after the close of the fiscal year. The Committee also inquired about the status of CAR's implementation of new reporting standards for lease accounting. Mr. Gautieri advised that staff will adopt the standard, as required, with the fiscal year 2023 financial statements.

After a brief discussion, on a roll call vote, the Committee members voted unanimously to recommend to the Governing Committee approval of CAR's financial statements for the fiscal year ending September 30, 2022.

WENDY BROWNE
Vice President of Business Operations

Boston, Massachusetts
February 9, 2023

ATTACHMENT LISTING

Docket #FAC23.02, Exhibit #1

Attendance Listing

**FINANCIAL AUDIT COMMITTEE MEETING
MEETING ATTENDEES
FEBRUARY 7, 2023**

Individual's Name

Company / Agency

PLEASE PRINT

Thomas LaFrancois	Arbella Insurance Group
Matthew Anglim	Plymouth Rock Assurance Coporation
Pamela Bodenstab-Krynicky	P.L. Krynicky Insurance Agency
Christopher Burke	Safety Insurance Company
Sean Moone	Norfolk & Dedham Group
Henry Risman	Risman Insurance Agency, Inc.
John Buckley	AAFCPA
Thomas Perruna	AAFCPA
Wendy Browne	CAR Staff
Steven Gautieri	CAR Staff
Natalie Hubley	CAR Staff
David Perfetti	CAR Staff
Robin Tigges	CAR Staff