



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110
www.commauto.com 617-338-4000

NOTICE OF MEETING

FINANCIAL AUDIT COMMITTEE

A meeting of the Financial Audit Committee will be held at the Automobile Insurers Bureau Conference Center at 101 Arch Street, 7th Floor, Boston, on

WEDNESDAY, JUNE 12, 2019 AT 1:00 P.M.

MEMBERS OF THE COMMITTEE

Mr. Robert McKenna – Chair
MAPFRE U.S.A. Corporation

Mr. Matthew Anglim
Ms. Pamela Bodenstab-Krynicki
Mr. Thomas LaFrancois
Mr. David McCormick
Mr. Sean Moone

Plymouth Rock Assurance Corporation
P L Krynicki Insurance Agency
Arbella Insurance Group
McCormick & Sons Insurance Agency, Inc.
The Norfolk & Dedham Group

AGENDA

FAC

19.01 Records of Previous Meeting

The Records of the Financial Audit Committee meeting of February 7, 2019 should be read and approved.

FAC

19.03 CAR Conflict of Interest Policy

The Chair will read a statement relative to CAR's Conflict of Interest Policy.

FAC

19.05 Independent Auditor Contract Review

On April 9, 2019, CAR distributed a Request for Proposal (RFP) to qualified firms of Certified Public Accountants for an independent review of its financial statements supplemented with the performance of agreed upon procedures for certain account balances contained in the statements. The

Committee will consider proposals and interview representatives of the following firms that responded to the RFP:

1. Stowe & Degon, LLC
2. AAFCPAs

Prior to the interviews, the Committee will discuss the attached methodology, which was used to evaluate the proposers during the 2013 RFP process. Approximately 20 - 30 minutes will be allocated for each interview, with Committee deliberations immediately following. (Docket #FAC19.05, Exhibit #1)

The Committee will develop a recommendation for Governing Committee consideration.

Other Business

To transact any other business that may properly come before this Committee.

Executive Session

The Financial Audit Committee may convene in Executive Session in accordance with the provisions of G.L. c. 30A, § 21.

MARK ALVES
Director – Compliance Audit

Attachment

Boston, Massachusetts
May 31, 2019



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REQUEST FOR PROPOSAL INDEPENDENT REVIEW OF FISCAL YEAR FINANCIAL STATEMENTS BIDDER RESPONSE EVALUATION METHODOLOGY

A. BIDDER INTERVIEWS

Each bidder will be interviewed separately as described below.

1. Bidder Introduction

The bidder's audit team will be introduced to the Financial Audit Committee.

2. Interviews

The bidder should address the following questions, as well as any other questions the Financial Audit Committee members may have relative to the bidder's proposal:

- 2.1 Describe your audit team's prior engagements with residual market mechanisms or other Massachusetts regulated insurance entities and how that experience specifically prepares you to review CAR's financial statements.
- 2.2 Explain how your audit team will leverage your internal and/or external resources to support your review of CAR.
- 2.3 Each proposal indicates CAR would be an important client of the firm. How will your service to CAR demonstrate the significance of this relationship?
- 2.4 Considering your responses to the questions above, as well as other items you regard as relevant, including cost, explain why your firm is the best value for CAR.

3. Bidder Concluding Comments

The bidder will have approximately five minutes to provide additional comments in conclusion of its interview.

B. COMMITTEE DELIBERATIONS

At the conclusion of the interviews, the Committee will deliberate on its recommendation to the Governing Committee as described below.

1. Discussion

The Committee will compare and contrast each bidder's proposal relative to the specific questions listed above, as well as the proposals and interviews overall, concluding on the best value.

2. Recommendation

The Committee will vote on a motion to recommend an auditor to the Governing Committee.