

RECORD OF MEETING
PERSONNEL COMMITTEE AND ELECTION OF PRESIDENT
SEPTEMBER 6 CONTINUED TO SEPTEMBER 13, 2011
(The meeting was held at the offices of CAR.)

Members Present

Mr. William J. Cahill, Jr. - Chairman The Hanover Insurance Company
Mr. Richard P. Jones, Leslie S. Ray Insurance Agency, Inc.
Mr. Paolo V. Abelli, Liberty Mutual Group
Mr. David H. Cochrane, The Commerce Insurance Company
Mr. Sumner D. Gilman, Economy Insurance Agency, Inc.
Ms. Paula W. Gold, Plymouth Rock Assurance Corporation
Mr. Joseph P. Leahy, Jr., Leahy & Brown Insurance and Realty
Mr. Raymond A. Lukas, Chase, Clarke, Stewart & Fontana
Mr. Robert P. Suglia, Amica Mutual Insurance Company
Ms. Marie Armel Theodat, R. Theodat Insurance Agency, Inc
Mr. Joseph A. Vargas, Vargas & Vargas Insurance

Scott Esposito of Horton International and Lee Stephen MacPhee, Outside Legal counsel to CAR, were also in Attendance:

Not in Attendance:

Mr. Andrew J. Carpentier, Quincy Mutual Insurance Company

11.01 Call to Order

Chairman Cahill called the meeting to order.

11.02 Meeting Minutes Accepted

The Minutes of the Personnel Committee Meeting of February 16, 2011, were accepted by unanimous vote.

11.03 Report of Preliminary Screening Committee

David H. Cochrane, Chairman of the Preliminary Screening Committee reported the following. In December of 2010, President Iannaco advised the Chairman and Vice-Chairman of the Governing Committee of his intention to retire. As a result, Chairman Cahill sought the advice of our legal counsel as to how CAR might proceed to search for a new President in conformance with the Open Meeting law. As a result, on January 12, 2011, he formed the Preliminary Screening Committee. In the eight months that followed, the Preliminary Screening Committee, consisting of Mr. William Cahill, Governing Committee Vice-Chairman Richard Jones, Joseph Vargas, James MacPhee (and later, Paulo Abelli) and Mr. Cochrane, held multiple meetings. In several meetings, the Committee included President Iannaco, whose advice and counsel was much appreciated, as well as Scott Esposito, the Executive Recruiter from Horton International, to keep us informed as to the search process. In all meetings, the Committee included CAR's legal counsel, to ensure that it remained in compliance with the Open Meeting law. The process the Committee followed was carefully considered. The Committee began by deciding to retain the services of an Executive Recruiter, in order to gain access to the widest possible universe of qualified candidates and to have the benefit of people trained and experienced in the art of interviewing and in the science of résumé review and reference checking. The Committee drafted a formal, written Request for Proposal, which it posted on CAR's website and in *The Boston Globe*. The Committee also researched each of the many and various executive recruiting firms and made sure to solicit responses to its RFP from those firms that were most industry-specific and best qualified. As a result, the Committee

interviewed six executive recruiting firms, including firms from Washington, D.C. and from the Chicago area. Ultimately, considering both the firms' capabilities as well as its desire to be cost effective with CAR's resources, the Committee chose Horton International, an international firm with both global resources and local-market expertise. Scott Esposito of Horton led the effort and, in the judgment of Mr. Cochrane, did an outstanding job for the Committee. Horton worked with the Preliminary Screening Committee to refine the position description. Scott Esposito also reached out to each member of the Governing Committee to gather the opinions of each of us as to the traits and characteristics we thought to be important in the next CAR President. In addition, individual members of the Committee met with the Division of Insurance, the Office of the Attorney General, the MAIA, and the MUAA to gather their opinions as to the traits and characteristics each thought to be important in the next CAR President. The Committee believes that the candidates being presented today to the Personnel Committee for consideration possess the presidential attributes that were identified during these discussions. Horton went about the search on two parallel tracks. While they did the obvious and collected applications from those people who expressed an interest in the position, Horton also identified more than 200 potential candidates whom they had determined might be a good fit for the position. As a result of the comprehensive effort along both tracks, Horton received formal applications from 33 candidates. Horton then conducted telephone interviews of each applicant. Candidates who passed the first screening were then interviewed by Horton a second time, this time in person. Ultimately, as a result of the Horton recommendations and the input of the Preliminary Screening Committee, Horton presented the Committee with seven candidates for the Committee to interview in person. Prior to finalizing the schedule of preliminary screening interviews by the Committee, one of the seven candidates dropped out. The Committee went on to conduct interviews of each of the remaining six candidates over the course of two separate days. The preliminary screening interviews were not conducted at CAR's offices, but were instead performed at an off-site location, to protect the privacy of the candidates. Each interview was scheduled for 90 minutes and included each member of the Committee, Scott Esposito and CAR's legal counsel. The same protocol was followed in each candidate interview. Counsel began with a discussion of the relevant provisions of the Open Meeting law to ensure that the candidates understood that, while their candidacy was not currently public, were they to reach the next stage, their candidacy would be very much public. This is because the work of the Preliminary Screening Committee would have been concluded and no further meetings in Executive Session could be held. Each candidate was then invited to ask the Preliminary Screening Committee any questions about the process or about the position itself. Next, each candidate was asked to review in detail his/her résumé and relevant experience. Lastly, the committee generally posed to each candidate the same series of questions so as to be able to fairly compare and contrast the presentations and responses of each candidate. At the completion of all six interviews, the committee discussed which candidate or candidates should be presented to the Personnel Committee as a qualified candidate. After much deliberation, the committee unanimously agreed that three of the six candidates should be invited to interview here today. While the committee was unanimous in determining that these three candidates were qualified to be considered by the Personnel Committee, the committee did not attempt to rank the three in any order of preference, as we decided that it would not be appropriate to do so. With these recommendations, the work of the Preliminary Screening Committee is concluded. Mr Cochrane thanked each of the members of the Preliminary Screening Committee for all of the time, effort and insight that they provided relative to this very important process. He noted that that each member of the Preliminary Screening Committee has views and opinions to share with the Personnel Committee, but that today each would speak as individual members of the Personnel Committee. He asked that the Personnel Committee give the views of the members of the now-disbanded Preliminary Screening Committee the same weight as it would give any other member of the Personnel Committee. Mr. Cochrane concluded by thanking Scott Esposito and the others at Horton International for a job well done.

11.04 Interviews of Candidates for the Position of President of CAR.

The Personnel Committee then conducted formal interviews of three candidates, first Douglas Knapp, then Frank O'Brien and last, Daniel Judson. At the outset, the Open Meeting process was explained to each candidate. Each candidate was asked to discuss his relevant work experience. Then, each candidate responded to questions from various members of the Personnel Committee. Last, each candidate was given an opportunity to ask questions about CAR and the selection process. After the interviews were concluded, the Committee voted to continue the meeting until 12:30 p.m. on Tuesday, September 13, 2011, at which time it expects to deliberate.

Lee Stephen MacPhee
Outside Legal Counsel and Recording Secretary

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Scott Esposito of Horton International and Lee Stephen MacPhee, Outside Legal counsel to CAR, were also in Attendance:

Mr. AJ Marchionne, AJ Marchionne Insurance Agency, substituted for Mr. Joseph P. Leahy, Jr., Leahy & Brown Insurance and Realty.

Not in Attendance:

Mr. Andrew J. Carpentier, Quincy Mutual Insurance Company

11.01 Call to Order

Chairman Cahill called the meeting to order noting that this meeting is a continuation of the meeting held on September 6, 2011.

11.02 Deliberations

Chairman Cahill reminded the committee that although the Agenda for Governing Committee Meeting of September 21, 2011 included a report from the Personnel Committee, there were no time constraints on the deliberation process. Members of the Committee were invited to comment on the deliberation process and the positive attributes of the three candidates. A free and open discussion followed during which the Preliminary Screening Committee were thanked for their efforts and observations about CAR's needs and the traits and qualifications most desirable in a CAR President were offered by several members of the committee. It was noted that all three candidates before the Committee were well-qualified and appropriate for consideration. Mr. Gilman moved that the Committee recommend to the Governing Committee candidate Daniel R. Judson, a motion seconded by Mr. Jones. After further deliberation, the motion passed unanimously. Mr. Gilman and others publically recognized the substantial contributions of the CAR staff. Mr. Cochrane offered a motion to authorize Chairman Cahill and Vice-Chairman Jones to attempt to negotiate a suitable compensation arrangement with the candidate, a motion seconded by Mr. Jones. The motion passed unanimously. Mr. Jones then moved to adjourn the meeting, seconded by Mr. Vargas. The motion passed unanimously.

Lee Stephen MacPhee
Outside Legal Counsel and Recording Secretary

ATTACHMENT LISTING

Docket PC11.02, Exhibits #2 & 3

Attendance Listing

