



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

FINANCIAL AUDIT COMMITTEE – JANUARY 29, 2025

Members Present

Mr. Thomas LaFrancois – Chair	Arbella Insurance Group
Mr. Matthew Anglim	Plymouth Rock Assurance Corporation
Ms. Pamela Bodenshtab-Krynicky	P L Krynicky Insurance Agency
Mr. Brian Breedan	MAPFRE U.S.A. Corporation
Mr. Sean Moone	Norfolk & Dedham Group
Mr. Henry Risman	Risman Insurance Agency

Substituted for:
N/A

Not in Attendance:
Mr. Christopher Burke, Safety Insurance Company

24.01 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 10, 2024. The Records have been distributed and are on file.

24.04 Annual Audit of CAR for Fiscal Year Ending September 30, 2024

Mr. Thomas Perruna, representing Alexander, Aronson, Finning & Co. (AAFCPA), discussed the procedures performed, and stated that no exceptions were found in any of the procedures performed. Mr. John Buckley, also representing AAFCPA, discussed the review of CAR's financial statements indicating that no differences were noted, and no adjustments were needed. Mr. Buckley then 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, AAFCPA will issue a clean, unqualified review report as of, and for the year ended, September 30, 2024.

After a brief discussion, , the Committee voted unanimously to recommend Governing Committee approval of CAR's financial statements for the fiscal year ending September 30, 2024.

25.04 Independent Auditor Contract Review

Mr. John Buckley, representing AAFCPA presented a proposal to continue as CAR's external auditor for the fiscal years 2025-2027. He provided a chart outlining the historical expenses by AAFCPA team member and the hours billed for the prior engagement years. Mr. Buckley further outlined the fee proposal for 2025-2027 and explained the increase is a result of the impact of COVID and fewer accountants entering the field making it more expensive to maintain staffing. The Committee discussed AAFCPA's possible outsourcing of the IT portion of the engagement to reduce the proposed fees. The Committee also discussed the potential rotation of AAFCPA staff to provide a fresh look at CAR's financial statements. The Committee then moved the discussion to consider the appropriateness of conducting an RFP for external auditor services. The Committee noted that AAFCPA developed a familiarity with CAR's operations during the first contract period and recognized this as the first extension proposal of the engagement. Conversely, the Committee noted the rising costs and noted that conducting an RFP would be fiscally responsible. After discussing the staff resources necessary to conduct an RFP and potentially on board a new firm, the Committee concluded that conducting an RFP is prudent and appropriate.

After a detailed discussion, the Committee voted with five members in favor and one opposed to recommend to the Governing Committee that CAR conduct an RFP for external auditor services.

WENDY BROWNE
Vice President of Business Operations

Boston, Massachusetts
January 30, 2025

ATTACHMENT LISTING

Docket #FAC25.02, Exhibit #1

Attendance Listing

**FINANCIAL AUDIT COMMITTEE MEETING
MEETING ATTENDEES
JANUARY 29, 2025**

Individual's Name

Company / Agency

PLEASE PRINT

Thomas LaFrancois	Arbella Insurance Group
Matthew Anglim	Plymouth Rock Assurance Corporation
Pamela Bodenstab-Krynicky	P.L. Krynicky Insurance Agency
Brian Breeden	MAPFRE U.S.A. Corporation
Sean Moone	Norfolk & Dedham Group
Henry Risman	Risman Insurance Agency, Inc.
John Buckley	AAFCPA
Thomas Perruna	AAFCPA
Mark Alves	CAR Staff
Wendy Browne	CAR Staff
Steven Gautieri	CAR Staff
Natalie Hubley	CAR Staff
Jennifer Kwan	CAR Staff
David Perfetti	CAR Staff
Robin Tigges	CAR Staff