



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

PERSONNEL COMMITTEE – JANUARY 30, 2024

Members Present

Mr. John Olivieri, Jr. – Chair	J.K Olivieri Insurance Agency, Inc
Ms. Sarah Clemens	MAPFRE U.S.A. Corporation
Mr. Thomas DePaulo	Cabot Risk Strategies, LLC
Mr. William Hughes	Arbella Insurance Group
Ms. Nicole Martorana	FBInsure, LLC
Mr. Christopher Taylor	The Hanover Insurance Company
Ms. Meredith Woodcock	Liberty Mutual Insurance Companies.

Substituted for:
N/A

Not in Attendance:
N/A

23.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the Personnel Committee meeting of October 26, 2023. The Records have been distributed and are on file.

24.08 Retirement Savings Plan

Ms. Natalie Hubley presented a proposal to amend CAR's retirement savings plan (401K) for employees hired after April 1, 2010. The proposal is intended to help CAR present an attractive recruiting posture and provide a strong retention incentive. She indicated that the proposal is also intended to encourage employee contributions with a goal toward financial wellness.

Ms. Hubley noted that approximately 18 months ago, CAR's peer organizations added an employer matching component back to their 401K plans for all eligible employees. Ms. Hubley explained that her proposal seeks to bring CAR's program more in line with those peer organizations. She pointed out however that CAR's proposal does not include all employees, but rather continues to focus only on those eligible employees hired after 6/1/2010, about one quarter of the company workforce.

Committee members questioned the cost of the proposal and how the plan amendment might impact total employee compensation, if approved. The mechanics of plan enrollment, vesting, safe harbor concerns and the implementation timeframe were also discussed. There was recognition that recruitment and

retention of new employees is difficult under current labor market conditions and cost-effective programs like the one proposed can help to stabilize company staffing levels.

The Committee unanimously voted to recommend to the Governing Committee adoption of the proposed changes to CAR's 401K plan effective January 1, 2025.

24.04 2024 Annual Merit Increase

Mr. Timothy Costain provided a current market context within which CAR's merit increase proposal was developed. He noted the current rate of inflation, merit increase averages reflected in national survey firm results, and the 2024 Social Security cost of living adjustment. Mr. Costain reviewed merit increase information of industry-funded peer organizations to which CAR ties its recommendation, noting that CAR's proposed increase is in line with the average of those companies for 2024.

Ms. Hubley provided a proposal for a President's discretionary percentage for outstanding performers in addition to the merit increase being recommended. She noted the practice has been highly successful over the past four years in motivating middle and lower-level staff who are now more directly involved in committee activity, problem solving and the implementation of impactful solutions throughout the company. She stressed that the recommendation is fiscally responsible, adding that the discretionary compensation is awarded as one-time payments and does represent an increase to base salary. Ms. Hubley proposed a 2024 merit increase percentage, plus an amount to target individuals whose performance is deserving of meaningful additional compensation.

The Committee unanimously voted to recommend to the Governing Committee adoption of a merit increase for calendar year 2024 as proposed by Ms. Hubley, with an additional percentage to be distributed on a discretionary basis by the President to deserving employees.

24.05 2024 Annual Range Movement

Staff provided a review of salary range survey information reflecting industry-funded peer organizations planned salary range increases for 2024. Based on the survey information and in keeping with past practice, a salary range increase percentage was proposed to align CAR with those organizations for 2024.

Following brief consideration, the Committee unanimously voted to recommend to the Governing Committee a salary range increase percentage as recommended for calendar year 2024.

24.06 Officer Salary Recommendations

Ms. Hubley provided 2023 job performance assessments of Ms. Wendy Browne, Vice President of Business Operations and Mr. Peter McCabe, Vice President of Technical Operations. She indicated that both individuals performed beyond expectations in 2023. Ms. Hubley detailed numerous accomplishments of both officers during the past year and articulated their importance to CAR's continued success.

Ms. Hubley proposed a salary increase for Ms. Browne and for Mr. McCabe consistent with the merit increase percentage approved for CAR staff for 2024.

The Committee unanimously voted to recommend to the Governing Committee a 2024 salary increase for Wendy Browne, Vice President of Business Operations, as proposed by Ms. Hubley.

The Committee also unanimously voted to recommend to the Governing Committee a 2024 salary increase for Peter McCabe, Vice President of Technical Operations, as proposed by Ms. Hubley.

24.07 President's Salary Recommendation

The Committee discussed the 2023 job performance of CAR President, Natalie Hubley. Committee members offered comments centered around her accessibility, transparency, and ability to involve more staff in committee activity and other service-related challenges during the past year. Comments also noted that she is goal oriented, persistent, and takes her responsibilities very seriously, all of which have served the company well during the past year.

Following discussion, the Committee unanimously voted to recommend to the Governing Committee a merit increase for Ms. Hubley in 2024.

TIMOTHY COSTAIN
Chief of Staff

Boston, Massachusetts
January 31, 2024

ATTACHMENT LISTING

Docket #PC24.02, Exhibit #1

Attendance Listing

**PERSONNEL COMMITTEE MEETING
MEETING ATTENDEES
JANUARY 30, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

M. John Olivieri, Jr.	J.K. Olivieri Insurance Agency, Inc.
Sarah Clemens	MAPFRE U.S.A. Corporation
Thomas DePaulo	Cabot Risk Strategies, LLC
William Hughes	Arbella Insurance Group
Nicole Martorana	FBInsure, LLC
Christopher Taylor	The Hanover Insurance Company
Meredith Woodcock	Liberty Mutual Insurance Companies
Timothy Costain	CAR Staff
Steven Gautieri	CAR Staff
Natalie Hubley	CAR Staff