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COMMERCE GROUP INC /MA

Form 8-K

June 23, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

June 17, 2003  
Date of Report  
(Date of earliest event reported)

THE COMMERCE GROUP, INC.  
(Exact name of registrant as specified in its charter)

Massachusetts  
(State or other  
jurisdiction  
of Incorporation)

04-2599931  
(IRS Employer  
Identification  
No.)

211 Main Street Webster, Massachusetts  
(Address of principal executive offices)

01570  
(Zip Code)

(508) 943-9000  
Registrant's telephone number, including area code

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Item 4. Changes in REGISTRANT'S CERTIFYING  
ACCOUNTANT

Pursuant to a vote adopted on May 16, 2003, the Board of Directors of The Commerce Group, Inc. (the "Registrant") authorized the Audit Committee of the Board of Directors (the "Audit Committee") to appoint, compensate, retain or terminate, and oversee the work of the Registrant's Independent Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Registrant.

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(a) At its meeting on June 16, 2003, the Audit Committee approved the engagement, of the accounting firm of PricewaterhouseCoopers LLP as independent accountants for the Registrant for the fiscal year ending December 31, 2003, subject to the execution of a satisfactory engagement letter between the Registrant and PricewaterhouseCoopers LLP.

The Audit Committee terminated the responsibilities of Ernst & Young LLP effective June 17, 2003.

(b) The reports of Ernst & Young LLP on the financial statements for the fiscal years ended December 31, 2002 and 2001 contained no adverse opinion or disclaimer of opinion and were not qualified as to uncertainty, audit scope or accounting principles.

(c) During the two most recent fiscal years ended December 31, 2002, and through the subsequent period ending June 17, 2003, there has been no disagreement with Ernst & Young LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement, if not resolved to Ernst & Young LLP's satisfaction, would have caused them to make reference to the subject matter of the disagreement in its report.

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(d) The Registrant has provided Ernst & Young LLP with a copy of the foregoing disclosure and has requested that Ernst & Young LLP furnish it with a letter addressed to the Securities and Exchange Commission (the "SEC") stating whether it agrees with the above statements. A copy of the letter from Ernst & Young LLP to the SEC dated June 23, 2003 is filed as Exhibit 16.1 to this Form 8-K.

(e) Neither the Registrant nor anyone engaged on its behalf has consulted with PricewaterhouseCoopers LLP during the Registrants' two most recently completed fiscal years or during its current fiscal year with regard to either: (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Registrant's financial statements; or (ii) any other matters or reportable events as set forth in items 304(a)(2)(i) and (ii) of Regulation S-K.

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Item 7. Financial Statements and Exhibits

(c) Exhibits

16.1 Letter from Ernst & Young LLP to the Securities and Exchange Commission dated June 23, 2003.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

June 23, 2003

THE COMMERCE GROUP, INC.

Gerald Fels  
Executive Vice President &  
Chief Financial Officer

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EXHIBIT 16.1

June 23, 2003

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, DC 20549

Gentlemen:

We have read Item 4 of Form 8-K dated June 23, 2003, of The Commerce Group, Inc. and are in agreement with the statements contained in paragraphs (b) and (c) on page 2 therein. We have no basis to agree or disagree with other statements of the registrant contained therein.

/s/ Ernst & Young LLP