

SERFF Tracking Number: PERR-125343785 State: Arkansas
Filing Company: Guarantee Insurance Company State Tracking Number: AR-PC-07-026617
Company Tracking Number: GIC-WC-AR-07-03-R
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC
Product Name: GIC-WC-AR-07-03-R
Project Name/Number: GIC-WC-AR-07-03-R/GIC-WC-AR-07-03-R

Filing at a Glance

Company: Guarantee Insurance Company

Product Name: GIC-WC-AR-07-03-R

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Filing Type: Rate

SERFF Tr Num: PERR-125343785 State: Arkansas

SERFF Status: Closed State Tr Num: AR-PC-07-026617

Co Tr Num: GIC-WC-AR-07-03-R State Status:

Co Status: Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding

Authors: Michelle Freitag, Faviola Disposition Date: 11/01/2007

Jimenez, Laura Jennette, Patricia

Heckman, Addy Angelico

Date Submitted: 10/31/2007

Disposition Status: Approved

Effective Date Requested (New): 12/01/2007

Effective Date (New): 12/01/2007

Effective Date Requested (Renewal): 12/01/2007

Effective Date (Renewal):

General Information

Project Name: GIC-WC-AR-07-03-R

Status of Filing in Domicile: Not Filed

Project Number: GIC-WC-AR-07-03-R

Domicile Status Comments:

Reference Organization: National Council on Compensation Insurance (NCCI)

Reference Number: NCCI Item B-1387 and amendments to Item B-1397

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 11/01/2007

State Status Changed: 11/01/2007

Deemer Date:

Corresponding Filing Tracking Number: N/A

Filing Description:

On behalf of Guarantee Insurance Company ("the Company"), we are submitting this filing to adopt the new class codes that are effective due to the approval of NCCI Item B-1387 and amendments to Item B-1397. Guarantee is not filing a change in their current approved loss cost multiplier at this time.

As a member of the NCCI, Guarantee has elected to utilize the forms, rules, supplementary rating information, and rating values in the basic manual of the NCCI. Where allowed, Guarantee has given the NCCI permission to file on its behalf all loss costs, rules and forms promulgated by the NCCI. This filing supplements the NCCI filing. Please see the

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enclosed filing memorandum for additional information.

We respectfully request that the proposed rates and rating values be implemented for all policies effective on or after December 1, 2007.

Please do not hesitate to contact us if you have any questions.

Company and Contact

Filing Contact Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Laura Jennette, State Filings Analyst doi@perrknight.com
 881 Alma Real Drive Suite 205 (310) 230-9339 [Phone]
 Pacific Palisades, CA 90272 ()-[FAX]

Filing Company Information

Guarantee Insurance Company CoCode: 11398 State of Domicile: South Carolina
 1081 521 Corporate Center Dr. Group Code: Company Type:
 Suite 140
 Ft. Mill, SC 29715 Group Name: State ID Number:
 (803) 396-5200 ext. 15230[Phone] FEIN Number: 22-2222789

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: \$50.00 per rate/rule adoption (no change to company LCM).
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Guarantee Insurance Company	\$0.00	10/31/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
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101397 \$50.00 10/31/2007

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	11/01/2007	11/01/2007

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Disposition

Disposition Date: 11/01/2007
 Effective Date (New): 12/01/2007
 Effective Date (Renewal):
 Status: Approved
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Guarantee Insurance Company	0.000%	\$0	386	\$1,323,520	0.000%	%	0.000%

SERFF Tracking Number: PERR-125343785 *State:* Arkansas
Filing Company: Guarantee Insurance Company *State Tracking Number:* AR-PC-07-026617
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Product Name: GIC-WC-AR-07-03-R
Project Name/Number: GIC-WC-AR-07-03-R/GIC-WC-AR-07-03-R

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	Workers Compensation Abstract and Letter of Authorization	Approved	Yes

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State: Arkansas
 State Tracking Number: AR-PC-07-026617
 Sub-TOI: 16.0004 Standard WC

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: -4.700%
Effective Date of Last Rate Revision: 07/01/2007
Filing Method of Last Filing: Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Guarantee Insurance Company	0.000%	0.000%	\$0	386	\$1,323,520	0.000%	%

<i>SERFF Tracking Number:</i>	<i>PERR-125343785</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Guarantee Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026617</i>
<i>Company Tracking Number:</i>	<i>GIC-WC-AR-07-03-R</i>		
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<i>Project Name/Number:</i>	<i>GIC-WC-AR-07-03-R/GIC-WC-AR-07-03-R</i>		

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document- Property & Casualty	Review Status:	Approved	11/01/2007
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Comments:

Attachments:

F779RI_RR _2007_.pdf
F777RI_PC_TD _2007_.pdf

Satisfied -Name:	NAIC Loss Cost Filing Document for Workers' Compensation	Review Status:	Approved	11/01/2007
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Comments:

Attachment:

AR WC Reference Adoption Forms.pdf

Satisfied -Name:	NAIC loss cost data entry document	Review Status:	Approved	11/01/2007
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Comments:

Attachment:

LC data entry doc.pdf

Satisfied -Name:	Workers Compensation Abstract and Letter of Authorization	Review Status:	Approved	11/01/2007
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Comments:

Attachments:

AR trans - actuary sign.pdf
LOA.pdf

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	GIC-WC-AR-07-03-R
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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4a.	Rate Change by Company (As Proposed)						
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Guarantee Insurance Company	0.0	0.0	0	386	\$1,323,520	0	0

4b.	Rate Change by Company (As Accepted) For State Use Only						
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE

5a.	Overall percentage rate indication (when applicable)	0.0%	
5b.	Overall percentage rate impact for this filing	0.0%	
5c.	Effect of Rate Filing – Written premium change for this program	0	
5d.	Effect of Rate Filing – Number of policyholders affected	386	

6.	Overall percentage of last rate revision	-4.7%
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7.	Effective Date of last rate revision	7/1/2007
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only
	a. Date the filing is received:
	b. Analyst:
	c. Disposition:
	d. Date of disposition of the filing:
	e. Effective date of filing:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
	h. Subject Codes

3. Group Name	Group NAIC #
Guarantee Insurance Company	0000

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Guarantee Insurance Company	FL	11398	22-2222789	39

5. Company Tracking Number	GIC-WC-AR-07-03-R
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Laura Jennette Perr&Knight 881 Alma Real Dr., Ste 205 Pacific Palisades, CA 90272	State Filings Analyst	(888) 201-5123 x109	(310) 230- 8529	doi@perrknight.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Laura Jennette		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	16.0 Workers Compensation
10. Sub-Type of Insurance (Sub-TOI)	16.0004 Standard WC
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	N/A
12. Company Program Title (Marketing title)	N/A
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 12/01/2007 Renewal: 12/01/2007
15. Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	National Council on Compensation Insurance, Inc.
17. Reference Organization # & Title	NCCI Item B-1387 and amendments to Item B-1397
18. Company's Date of Filing	October 31, 2007
19. Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	GIC-WC-AR-07-03-R
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21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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On behalf of Guarantee Insurance Company (“the Company”), we are submitting this filing to adopt the new class codes that are effective due to the approval of NCCI Item B-1387 and amendments to Item B-1397. Guarantee is not filing a change in their current approved loss cost multiplier at this time.

As a member of the NCCI, Guarantee has elected to utilize the forms, rules, supplementary rating information, and rating values in the basic manual of the NCCI. Where allowed, Guarantee has given the NCCI permission to file on its behalf all loss costs, rules and forms promulgated by the NCCI. This filing supplements the NCCI filing. Please see the enclosed filing memorandum for additional information.

We respectfully request that the proposed rates and rating values be implemented for all policies effective on or after December 1, 2007.

Please do not hesitate to contact us if you have any questions.

22. Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: 101397
Amount: \$50.00

Refer to each state’s checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state’s checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

ARKANSAS INSURANCE DEPARTMENT
WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
LOSS COSTS REFERENCE FILING ADOPTION FORM

DATE October 31, 2007

Page 1 of 2

1. INSURER NAME Guarantee Insurance CompanyADDRESS c/o Perr and Knight, Inc. 881 Alma Real Drive, Suite 205, Pacific Palisades, CA 90272PERSON RESPONSIBLE FOR FILING Laura JennetteTITLE State Filings Analyst TELEPHONE NO. (888) 201-5123 x1092. INSURER NAIC NO. 11398 GROUP NO. 00003. ADVISORY ORGANIZATION National Council on Compensation Insurance, Inc. ("NCCI")4. ADVISORY ORGANIZATION REFERENCE FILING NO. Item B1387 and amendments to Item B1397

5. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, expense constants specified in the attachments.

6. A. PROPOSED RATE LEVEL CHANGE 0.0 % EFFECTIVE DATE December 1, 2007B. PROPOSED PREMIUM LEVEL CHANGE 0.0 % EFFECTIVE DATE December 1, 20077. A. PRIOR RATE LEVEL CHANGE -4.7 % EFFECTIVE DATE July 1, 2007B. PRIOR PREMIUM LEVEL CHANGE -4.7 % EFFECTIVE DATE July 1, 2007

8. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
 (Use a separate Summary for each insurer-selected loss cost multiplier.)

9. Check **one** of the following:

The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION INSURER RATE FILING
 ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE
 LOSS COSTS SUMMARY OF SUPPORTING INFORMATION FORM
 CALCULATION OF COMPANY LOSS COST MULTIPLIER

INSURER NAME Guarantee Insurance Company DATE October 31, 2007

NAIC NO. 11398 GROUP NO. 0000

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption Form?
 Yes No If No, for each affected class, attach Page 2 of Form RF-WC with appropriate justification.
2. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing (CHECK ONE):
 Without modification (factor = 1.000).
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) _____
 - B. Loss Cost Modification expressed as a Factor 1.00 (see examples below).
3. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)
 PROJECTED EXPENSES: Compared to standard premium at company rates.

	Selected Provisions
A. Total Production Expense	10.6%
B. General Expense	7.5%
C. Taxes, Licenses and Fees	5.2%
D. Underwriting Profit and Contingencies*	0.0%
E. Other (explain)	0.0%
F. TOTAL	23.3%

* Explain how investment income is taken into account.

4. A. Expected Loss and Loss Adjustment Expense Ratio:
 ELR = 100% - 3F = 76.7%
 B. ELR in decimal form = .767
5. Overall Impact of Expense Constant and Minimum Premiums:
 (A 2.3% impact would be expressed as 1.023.) 1.001
6. Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating:
 (An 8.6% average discount would be expressed as 0.914.) .888
7. Company Formula Loss Cost Multiplier:
 (2B / [(6 - 3F) × 5] = 1.527
8. Company Selected Loss Cost Multiplier = 1.527
 Explain any differences between 7 and 8:

9. Are you amending your minimum premium formula? If yes, attach documentation including rate level impact as well as changes in multipliers, expense constants, maximum minimums, etc.

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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10. Are you changing your premium discount schedules? If yes, attach schedules and support, detailing premium or rate level change.

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	GIC-WC-AR-07-03-R
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	NCCI Item B-1387 and amendments to Item B-1397
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Company Name		Company NAIC Number	
3.	A. Guarantee Insurance Company	B.	11398

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 16.0 Workers Compensation	B.	16.0004 Standard WC

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers Compensation	0.0%	0.0%	76.7%	1.00	1.527	N/A	1.527
TOTAL OVERALL EFFECT							

6.		5 Year History		Rate Change History			
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	10.6%
B. General Expense	7.5%
C. Taxes, License & Fees	5.2%
D. Underwriting Profit & Contingencies	0.0%
E. Other (explain)	0.0%
F. TOTAL	23.3%

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
- 10.** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

ARKANSAS INSURANCE DEPARTMENT

WORKERS' COMPENSATION ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "none" or "not applicable," so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group.

Company Name Guarantee Insurance Company
NAIC Number 11398 Group Number 0000
Deviation From N/A No deviation from NCCI Loss Costs Proposed Effective Date December 1, 2007

1. What type of deviation(s) are you currently utilizing? (Specify whether deviation is a schedule rating plan or an across-the-board deviation.)

TYPE	APPROVED	PERCENTAGE
<u>Schedule Rating</u>	<u>July 1, 2004</u>	<u>Max +/-25%</u>
_____	_____	_____
_____	_____	_____

2. What, if any, restrictions apply to the deviation? N/A

3. What is the minimum premium requirement for eligibility for the deviation? N/A

4. What was the average percentage of credit given on policies eligible under the deviation? 55.7%

5. What was the average percentage of debit given on policies eligible under the deviation? 5.2%

6. State the number of Arkansas policies issued since the approval of your deviation. 386
Of these policies, how many received a deviation? 235

7. Do you allow both schedule rating plans and across-the-board deviations on the same risk? N/A - no across the board deviation filed

8. Does your company offer a dividend plan? If so, please describe the type of dividend, including the amount paid in dividends for the preceding calendar year. No

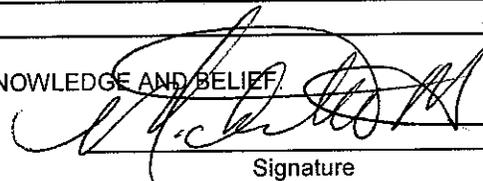
9. When promulgating an individual policy premium, at what point is the deviation applied? _____

1. The amount of any schedule debit or credit shall be applied in a multiplicative manner, after the application of the experience modification, or any other adjustment factors (e.g. contractor credits, ARAP, deductible credits), if any, but before the application of premium discounts and expense constants.

10. Do plans for the future market provide for:

- (a) A great market penetration for this type of business - to the extent that we are still growing as our initial filing was 5/1/04
- (b) A lesser penetration N/A
- (c) Status quo N/A

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF


Signature

Actuary _____
Title

561-416-3992, Extension 226
Telephone Number



May 7, 2007

To Whom It May Concern:

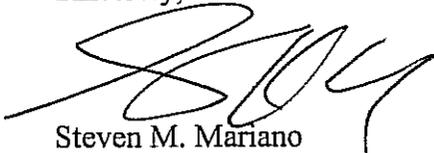
Perr & Knight, Inc. is hereby authorized to submit rate, rule, and form filings on behalf of Guarantee Insurance Company. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed to be in effect until rescinded on writing.

Please direct all correspondences and inquiries relate to this filing related to this filing to Perr & Knight, Inc. at the following address:

Perr & Knight, Inc.
1200 North Federal Highway, Suite 309
Boca Raton, FK 33432
Tel: (561) 416-3992
Fax: (561) 416-3167

Please contact me at (954) 670-2901 if you have any questions regarding this authorization.

Sincerely,



Steven M. Mariano
President, Chief Executive Officer