

SERFF Tracking Number: ARKS-125904539 State: Arkansas  
Filing Company: 36650 - The Guarantee Company of North America USA State Tracking Number: \$0  
Company Tracking Number: 2008-1  
TOI: 24.0 Surety Sub-TOI: 24.0000 Surety  
Product Name: n/a  
Project Name/Number: /

## Filing at a Glance

Company: 36650 - The Guarantee Company of North America USA

Product Name: n/a

TOI: 24.0 Surety

Sub-TOI: 24.0000 Surety

Filing Type: Rate

SERFF Tr Num: ARKS-125904539 State: Arkansas

SERFF Status: Closed

Co Tr Num: 2008-1

Co Status:

Author:

Date Submitted: 11/14/2008

State Tr Num: \$0

State Status: Fees verified and received

Reviewer(s): Betty Montesi,  
Llyweyia Rawlins

Disposition Date: 11/17/2008

Disposition Status: Exempt from Review

Effective Date Requested (New): 11/20/2008

Effective Date Requested (Renewal):

Effective Date (New): 11/20/2008

Effective Date (Renewal):

State Filing Description:

Rates previously filed 2/15/2005 as informational purpose to be effective 11/20/2008. This is just an exception sheet in duplicate.

## General Information

Project Name:

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 11/17/2008

State Status Changed: 11/17/2008

Corresponding Filing Tracking Number:

Filing Description:

This is a informational rate filing

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

SERFF Tracking Number: ARKS-125904539 State: Arkansas  
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Product Name: n/a  
Project Name/Number: /

## Company and Contact

### Filing Contact Information

NA NA, NA@NA.com  
NA (123) 555-4567 [Phone]  
NA, AR 00000

### Filing Company Information

36650 - The Guarantee Company of North America USA CoCode: 36650 State of Domicile: Michigan  
25800 Northwestern Hwy Group Code: Company Type: Propety & Casualty  
Suite 720  
Southfield, MI 48075 Group Name: State ID Number:  
(248) 281-0281 ext. [Phone] FEIN Number: 38-2907623  
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## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:  
Per Company: No

SERFF Tracking Number: ARKS-125904539 State: Arkansas  
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Product Name: n/a  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	11/17/2008	11/17/2008

*SERFF Tracking Number:* ARKS-125904539      *State:* Arkansas  
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*TOI:* 24.0 Surety      *Sub-TOI:* 24.0000 Surety  
*Product Name:* n/a  
*Project Name/Number:* /

## **Disposition**

Disposition Date: 11/17/2008

Effective Date (New): 11/20/2008

Effective Date (Renewal):

Status: Exempt from Review

Comment:

This line is exempt from filing rates/rules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rate/rule filing and review requirements.

Rate data does NOT apply to filing.

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 Product Name: n/a  
 Project Name/Number: /

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Accepted for Informational Purposes	No
Supporting Document	ARKS-125904539		No

<i>SERFF Tracking Number:</i>	<i>ARKS-125904539</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>36650 - The Guarantee Company of North America USA</i>	<i>State Tracking Number:</i>	<i>\$0</i>
<i>Company Tracking Number:</i>	<i>2008-1</i>		
<i>TOI:</i>	<i>24.0 Surety</i>	<i>Sub-TOI:</i>	<i>24.0000 Surety</i>
<i>Product Name:</i>	<i>n/a</i>		
<i>Project Name/Number:</i>	<i>/</i>		

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: ARKS-125904539 State: Arkansas  
Filing Company: 36650 - The Guarantee Company of North America USA State Tracking Number: \$0  
Company Tracking Number: 2008-1  
TOI: 24.0 Surety Sub-TOI: 24.0000 Surety  
Product Name: n/a  
Project Name/Number: /

## Supporting Document Schedules

### Review Status:

**Satisfied -Name:** ARKS-125904539

11/17/2008

### Comments:

### Attachments:

ARKS-125904539.pdf

ARKS-125904539-1.pdf

ARKS-125904539



**THE GUARANTEE COMPANY OF NORTH AMERICA USA**

25800 Northwestern Highway, Suite 720  
Southfield, Michigan 48075  
Tel 248-281-0281  
Fax 248-750-0431

November 13, 2008

**RECEIVED**

NOV 14 2008

Arkansas Department of Insurance  
1200 West Third Street  
Little Rock, AR 72201

FINANCE  
ARKANSAS INSURANCE DEPARTMENT

Dear Sirs:

Enclosed, please find our rate file in duplicate. These rates were previously filed with the Arkansas Department of Insurance as an informational filing on February 14, 2005 and received by you on February 18, 2005. I have also enclosed our exception sheet in duplicate. We intend that these rates will become effective November 20, 2008.

Please review the accompanying rate filing at your earliest convenience and contact me with any questions you may have at 248-281-0281, ext. 6014.

Sincerely,  
THE GUARANTEE COMPANY OF NORTH AMERICA USA

Gail Trevor  
Office Administrator  
[GTrevor@gcna.com](mailto:GTrevor@gcna.com)  
248-281-0281, ext. 6014  
Fax: 248-750-0431

Approved until withdrawn  
or revoked

NOV 17 2008

Arkansas Insurance Department

By: *LK-EXOMPT*

**RECEIVED**

NOV 14 2008

PROPERTY AND CASUALTY DIVISION  
ARKANSAS INSURANCE DEPARTMENT

## Property & Casualty Transmittal Document

**1. Reserved for Insurance Dept. Use Only**

~~Approved until withdrawn  
or revoked~~

NOV 17 2008

Arkansas Insurance Department  
By: *LK Exempt*

**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:

f. State Filing #:

g. SERFF Filing #:

<b>3.</b>	<b>Group Name</b>	<b>Group NAIC #</b>
	The Guarantee Company of North America USA	33650

4.	Company Name(s)	Domicile	NAIC #	FEIN #
	The Guarantee Company of North America USA	Michigan	36650	38-2907623

<b>5. Company Tracking Number</b>	2008-1
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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
	Gail Trevor The Guarantee Company of North America USA 25800 Northwestern Highway, Suite 720 Southfield, Michigan 48075	Office Administrator	248-281-0281 ext. 6014	248-750-0431	Gtrevor@gcna.com

RECEIVED

NOV 14 2008

7. Signature of authorized filer	<i>Gail Trevor</i>
8. Please print name of authorized filer	Gail Trevor

PROPERTY AND CASUALTY DIVISION  
ARKANSAS INSURANCE DEPARTMENT

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

9. Type of Insurance (TOI)	24.0 Surety
10. Sub-Type of Insurance (Sub-TOI)	24.0000 Surety
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input checked="" type="checkbox"/> Other (give description) Rates Only
14. Effective Date(s) Requested	New: November 20, 2008      Renewal:
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

## Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

21. Filing Description [This area should be similar to the body of a cover letter and is free-form text]

Enclosed, in duplicate please find our rate filing previously sent to you and filed as an Information filing on February 18, 2005. I have also enclosed in duplicate our exception page for page ER 8 & 9 of this rate filing.

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 #:

Amount:

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

## RATE EXCEPTION PAGE

Page ER – 8 – ER - 9

\$75 minimum premium for:

- \* Defective Title bonds
- \* City/County Contractor License Bonds (Compliance Obligation Only)

\$7.50 per m for Defective Title Bonds

# The Guarantee Company of North America USA

## Contract Bonds End Rates

### I. RATE TABLES

For Performance or Performance Plus Payment Bond(s) where time for completion as stipulated in the contract is not over 12 months or 365 days for Tiers I & II and 24 months or 731 calendar days for Tiers III, IV or V: (Where contract is greater, refer to Supplemental Rate Table below.)

#### Rates Per Unit of Exposure (An exposure unit is \$1,000 of the contract price)

Class B	I	II	III	IV	V
First 100	20.00	15.00	12.00	10.00	9.00
Next 400	20.00	15.00	12.00	10.00	9.00
Next 2,000	15.00	10.00	8.00	8.00	6.30
Next 2,500	12.00	8.50	7.00	6.00	5.40
Next 2,500	10.50	8.00	6.50	5.50	5.00
Over 7,500	9.50	7.00	6.00	5.00	4.80
Max per K	70.00	60.00	60.00	40.00	36.00

Class A	I	II	III	IV	V
First 100	15.00	12.00	8.00	7.00	5.00
Next 400	15.00	12.00	8.00	7.00	5.00
Next 2,000	10.00	8.00	6.00	5.00	4.00
Next 2,500	8.50	7.00	4.75	4.50	3.75
Next 2,500	8.00	6.50	4.25	4.00	3.50
Over 7,500	7.50	6.00	4.00	3.80	3.00
Max per K	50.00	40.00	37.00	30.00	28.00

# The Guarantee Company of North America USA

## Contract Bonds End Rates

Class A-1	I	II	III	IV	V
First 100	9.00	7.00	5.00	4.00	3.50
Next 400	9.00	7.00	5.00	4.00	3.50
Next 2,000	6.00	5.00	4.00	3.75	3.25
Next 2,500	5.75	4.75	3.75	3.50	3.00
Next 2,500	5.50	4.50	3.50	3.00	2.75
Over 7,500	5.50	4.00	3.00	2.75	2.75
Max per K	50.00	40.00	30.00	25.00	20.00

Class Miscellaneous	I	II	III	IV	V
First 100	20.00	15.00	12.00	10.00	9.00
Next 400	20.00	15.00	12.00	10.00	9.00
Next 2,000	15.00	12.00	10.00	9.20	8.00
Next 2,500	12.00	10.00	8.00	7.50	6.50
Next 2,500	10.50	8.00	7.50	6.75	5.75
Over 7,500	9.50	9.00	6.50	6.20	5.75
Max per K	70.00	60.00	60.00	40.00	36.00

**The Guarantee Company of North America USA**

**Contract Bonds  
End Rates**

Maintenance	I	II	III	IV	V
First 100	2.50	2.30	2.10	2.00	1.50
Next 400	2.50	2.30	2.10	2.00	1.50
Next 2,000	2.50	2.30	2.00	1.50	1.20
Next 2,500	2.50	2.30	2.00	1.50	1.20
Next 2,500	2.50	2.00	2.00	1.50	1.20
Over 7,500	2.30	2.00	1.50	1.20	1.00

Supply	I	II	III	IV	V
First 100	5.50	3.50	2.50	2.00	1.80
Next 400	5.50	3.50	2.50	2.00	1.80
Next 2,000	5.50	2.00	2.00	2.00	1.80
Next 2,500	5.50	1.70	1.50	1.50	1.20
Next 2,500	5/50	1.60	1.20	1.20	1.00
Over 7,500	5.50	1.50	1.20	1.10	1.00
Max per K	15.00	12.00	10.00	6.00	6.00

Base Rates: Class B, A and Miscellaneous Contracts: \$30.00 per K  
for Class A-1, Supply and Maintenance \$15.00 per K

Minimum Premium - \$200.00 per bond

The above rates are based on Contract prices. If however, charging the Maximum rate on the bond penalties results in a lower premium, the maximum rate is to be used.



# The Guarantee Company of North America USA

## Contract Bonds End Rates

### II. SUPPLEMENTAL RATE TABLE FOR PERFORMANCE OR PERFORMANCE PLUS PAYMENT BOND(S) WHERE TIME FOR COMPLETION AS STIPULATED IN THE CONTRACT IS OVER 24 MONTHS OR 731 CALENDAR DAYS

For the Base rate, Tier I and II, compute the Rate using the appropriate section of the above Rate Table. Surcharge the result by 1% per month for each month over 12 months (disregarding a fraction of a month).

For Tier III, IV and V, compute the Rate using the appropriate section of the above Rate Table. Surcharge the result by 1% per month for each month over 24 months (disregarding a fraction of a month).

### III. RATE EXCEPTIONS:

#### A. MISCELLANEOUS CONTRACTS:

##### 1. Advance Payment Bond (Covering Advance Payment only):

Apply 75% of the above Rate for Miscellaneous Contracts on amount of monies advanced.

##### 2. Cost-Plus Fixed-Fee Contracts:

Apply 30% of the above Rate for Miscellaneous Contracts on the cost to the owner, excluding contractor's fee.

##### 3. Cost-Plus-A-Percentage Contracts:

Apply 60% of the above Rate for Miscellaneous Contracts on the cost to the owner, excluding contractor's fee.

##### 4. Lien or Payment Bonds:

- a. Where, at the date of bond, no liens have been filed and where bond is given before, at, or near the commencement of construction or improvement:

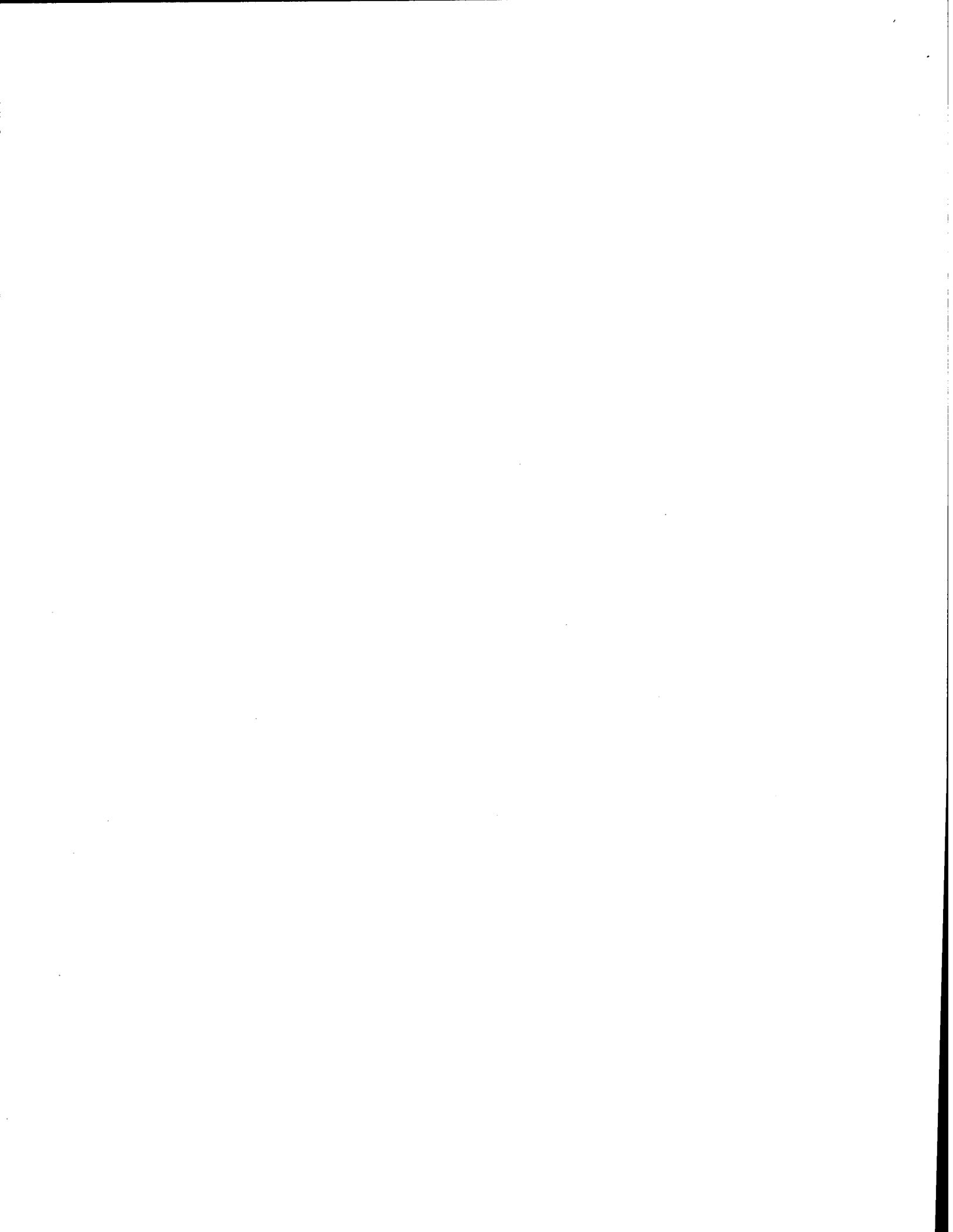
Apply 50% of the above Rate for Miscellaneous Contracts.

- b. Where, at the date of bond, no liens have been filed and where bond is given for building or improvement that is partially completed:

Apply 50% of the above Rates for Miscellaneous Contracts on sum total of entire indebtedness for labor and material outstanding at date of bond and amount necessary to complete building or improvement.

- c. At or after the completion of the work, or when work is so advanced that only final payment remains to be paid:

Apply 72% of the above Rate for Miscellaneous Contracts.



# The Guarantee Company of North America USA

## Contract Bonds End Rates

### 5. Military Traffic Management and Terminal Service Contracts:

Exposure Units (per \$1,000 of Bond Penalty)	Rate
First Exposure Unit -	\$ 100.00
Next 1 1/2 Exposure Units -	75.00
Over 2 1/2 Exposure Units -	50.00 Each unit

### 6. Timber Cutting Bonds:

- a. Contracts for the sale and cutting of timber on all lands:
  - (1) Performance Bond - Apply **90%** of the first level of the above Rate for Miscellaneous Contracts on the bond penalty.
  - (2) Payment Bond - Apply **108%** of the first level of the above Rate for Miscellaneous Contracts on the bond penalty.
- b. Cutting Timber for Hire:  
Apply **54%** of the first level of the above Rate for Miscellaneous Contracts.

### 7. Towing Contracts:

Apply 108% of the first level of the above Rate for Miscellaneous Contracts on the bond penalty.

### 8. Wrecking, Demolition or Dismantling Contracts:

Apply 108% of the first level of the above Rate for Miscellaneous Contracts on the penalty of the Performance or Payment Bond whichever is higher.

### 9. Aircraft Construction, Conditioning or Repair:

- a. Fixed Price Contracts:  
Apply 25% of the above Rates for Miscellaneous Contracts.
- b. Cost Plus a Fixed Fee:  
Apply 20% of the above Rates for Miscellaneous Contracts on the cost to the owner excluding contractor's fee.

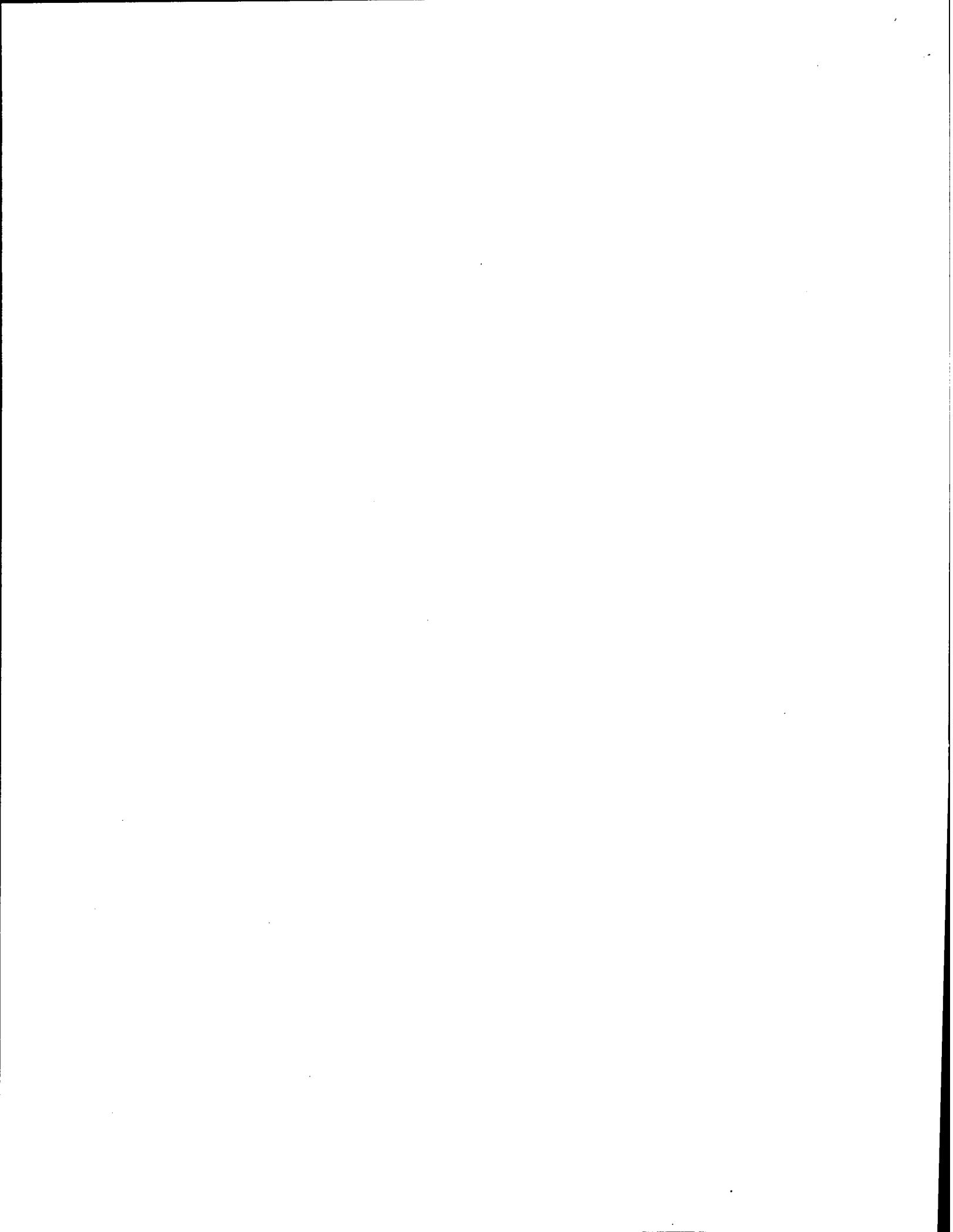
### 10. Dredging in Rivers, Harbors and Great Lakes:

Apply 50% of the above Rates for Miscellaneous Contracts.

### 11. School Children Transportation of:

Apply Class A rates on annual contract value.

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# The Guarantee Company of North America USA

## Contract Bonds End Rates

### 12. Service Contracts:

a. Janitor Service, Laundry Contracts, Furnishing Food Services, Office personnel, Temporary Personnel Services, Watchman and Signal Services, Weed Mowing, and Window Cleaning Services Classification Code (\*X49 or \*X51)

b. Draying and Hauling Contracts, Snow, Garbage, Ashes etc. Removal of and Sprinkling and Cleaning of Streets Classification Code (\*X79 or \*X80)

Apply Class A-1 rates on annual contract value.

### B. MAINTENANCE GUARANTEES:

1. On Roads, Highways, Street Paving;  
Apply 20% of the Miscellaneous Contracts Rates.
2. On Shoring Up Contracts;  
Apply 18% of the Miscellaneous Contracts Rates.
3. On Supply Contracts;  
Apply 50% of the Maintenance Guarantees Rates.
4. Maintenance Where No Corporate Surety Performance Bond Is or Has Been Required:  
Apply 75% of the Miscellaneous Contracts Rates on the bond penalty per for the *first year*. Use *Supplemental Table - Maintenance for subsequent years*.

### C. Annual Underwriting Deposit Premium/ Bid Bonds

1. When an account requires pre-established approval limits and/or is an **infrequent** user of bid bonds an Annual Underwriting Deposit fee of \$2,500 will per required. Any bond premiums during the annual period will be credited against this Deposit fee.
2. Where owner requires a bid bond and an award is made without requiring a final bond, the successful bidder shall be charged a premium based on 36% of the first level of Miscellaneous Contracts Rates on the penalty of the bid bond. Credit this premium with the Bid Bond premium.
3. Specific Bid or Proposal Bond without a Bid Bond Service Undertaking:  
\$200 for first bond and \$50.00 each subsequent Bond.
4. Annual Bid or Proposal Bond - Supply Contracts only:  
\$200.00 per Bond.

# The Guarantee Company of North America USA

## Contract Bonds End Rates

5. Annual Bid and Performance Bond - Supply Contracts only  
(Where Annual Bid Bond also acts as Performance Bond in event of award):  
\$5.00 per Exposure Unit on the penalty of the Bond. (Exposure Unit is \$1,000 of bond penalty.)
6. Bid Bond Service Undertaking:  
\$300.00 per Annual Bond. \$200.00 per renewal.

### D. SUBDIVISION BONDS

Bonds given by Realty Operators or Others to a County or Municipality guaranteeing to construct or finance improvements such as streets, sidewalks, curbing, guttering, sewerage or drainage.

Apply 120% of Class B Rates on the cost of improvements or the bond penalty, whichever is higher, for a term of two years or less.

Thereafter, charge annual renewal premium based upon 50% of the Completion Bonds Rates on remaining cost to complete or bond penalty, whichever is higher.

Where applicant corporations, and/or their wholly-owned subsidiaries, whose unqualified CPA audit, as of their latest fiscal year end, reflects a tangible net worth within the limits as indicated in the following table, the rates indicated will be substituted:

Tangible Net Worth of Applicant	Annual Rate per K on the bond penalty
Over \$1 billion to	\$6.00
\$500 million to \$1 billion	\$ 7.50
\$100 million to \$500million	\$10.00

Initial term premium fully earned, thereafter premium earned on a monthly basis, disregarding fraction of months.

### E. DESIGN HAZARDS

Bonds given where contractor, by reason of the terms of the contract, is responsible for the design of the work - Apply **120%** of the applicable rates set forth in the Rate Tables for the class of work affected.

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# The Guarantee Company of North America USA

## Contract Bonds End Rates

### I. License & Permit Bonds

The bonds rated in this section are those required by State law, municipal ordinance, by regulation or the Federal Government and its agencies. These bonds are required as a condition precedent to the granting of license or permit to engage in a particular business. The bonds are in force for the license period, which may exceed one year.

#### Standard Rates

**Group I.** Bonds which provide indemnification to the government body named as Obligee.

**Rate:** \$10.00 per K on the bond penalty annually.

**Group II.** Bonds which give third parties a right of action in their own name or in the name of the Obligee.

**Rate:** \$20.00 per K on the bond penalty annually.

Minimum annual earned premium is \$100.00

#### Preferred Rates

**Group I.** \$5.00 per K on the bond penalty annually.

**Group II.** \$10.00 per K on the bond penalty annually.

Minimum annual earned premium is \$100.00

#### Definition/Rules:

1. To qualify for preferred rates an account must be in business for three years or
2. Low hazard bonds only or
3. Quick application issuance or General Agreement of Indemnity.

### II. Miscellaneous Bonds

Included in this section are all bonds classified as Miscellaneous Bonds by the Surety Association of America. These generally include financial guaranty bonds, indemnity bonds and bonds that do not fall within the scope of any other bond rated by the Company. Some Miscellaneous Bonds are required by law and must be conditioned as required by statute, ordinance, or regulation. Others are required by law with conditions discretionary with approving authorities. Others may be purely voluntary bonds and undertakings with conditions prescribed by or acceptable to the Obligee.

# The Guarantee Company of North America USA

## Contract Bonds End Rates

### Rates:

Finanacial Bond \$20.00 per K annually on the bond penalty.

Non-Finanacial Bond \$10.00 per K annually on the bond penalty.

Minimum annual earned premium is \$100.00

### III. Court Bonds

#### Rates:

Defendent Bond \$20.00 per K annually on the bond penalty.

Plaintiff Bond \$20.00 per K annually on the bond penalty.

Minimum annual earned premium is \$100.00

### IV. Fiduciary Bonds

#### Rates:

All bonds, individual or schedule, fpr principals who are charged primarily with the responsibility of handling funds: \$6.00 per K annually, unless the principal is an attorney, then \$3.00 per K annually.

### V. Official Bonds

All official bonds, whether individual or schedule, for principals who are charged with the responsibility of handling public funds : \$10.00 per K on the bond penalty annually.

All official bonds, whether individual or schedule, for principals who are not charged with the responsibility of handling public funds: \$5.00 per K on the bond penalty annually.

### Account/Diversified Account Rule

An account is a public entity or private corporation meeting the following eligibility requirements that purchases surety bonds in the normal course of business from the Company.

A Diversified Account is a corporation meeting the following eligibility requirements that is primarily engaged in the manufacturing, industrial or supply business and derives the majority of its income from these core businesses, but may also derive income from construction contracting.

Accounts and Diversified Accounts possess characteristics favorable to the Company that are not reflected in standard or manual rates and possess a portfolio of bonding needs which is better served through application of flat rates.

# The Guarantee Company of North America USA

## Contract Bonds End Rates

Therefore, the purpose of this rule is to reflect those characteristics of Accounts and Diversified Accounts that are not reflected in standard rates or rating plans, and to simplify the rating process for these accounts in order to achieve greater efficiency in the administration of their surety program through the application of flat rates.

### Account/Diversified Account Eligibility Requirements:

1. General Agreement of Indemnity
2. Geographic Diversity
3. CPA Audited Financial Statement
4. Minimum Net Worth of \$25,000,000
5. Minimum Projected/Average Annual Premium of \$20,000
6. Multiple Bonds

A. Basic Account Rate: \$5.00 per K on the bond penalty annually.

1. General Agreement of Indemnity
2. Geographic Diversity
3. CPA Prepared Financial Statement
4. Minimum Volume of 10 Bonds
5. Mix of bonds

B. Basic Account Rate: ~~\$10.00 per K on the bond penalty annually.~~

# The Guarantee Company of North America USA

## Contract Bonds End Rates

### Financial Responsibility Rule

Premiums on bonds which the Company is willing to execute shall be subject to credit as provided in the "Table of Credits" below, predicated upon the net worth of the principal and/or indemnitors, as determined by the Company, with acceptable financial ratios:

### Table of Credits

Net Worth of Principal(s) Or Indemnitor(s)	Maximum Credit
\$ 1,000,000,000 or more	62.5%
\$50,000,000 to \$999,999,999	50.0%
\$25,000,000 to \$49,999,999	25.0%

### Rating Rules and Guidelines

#### General:

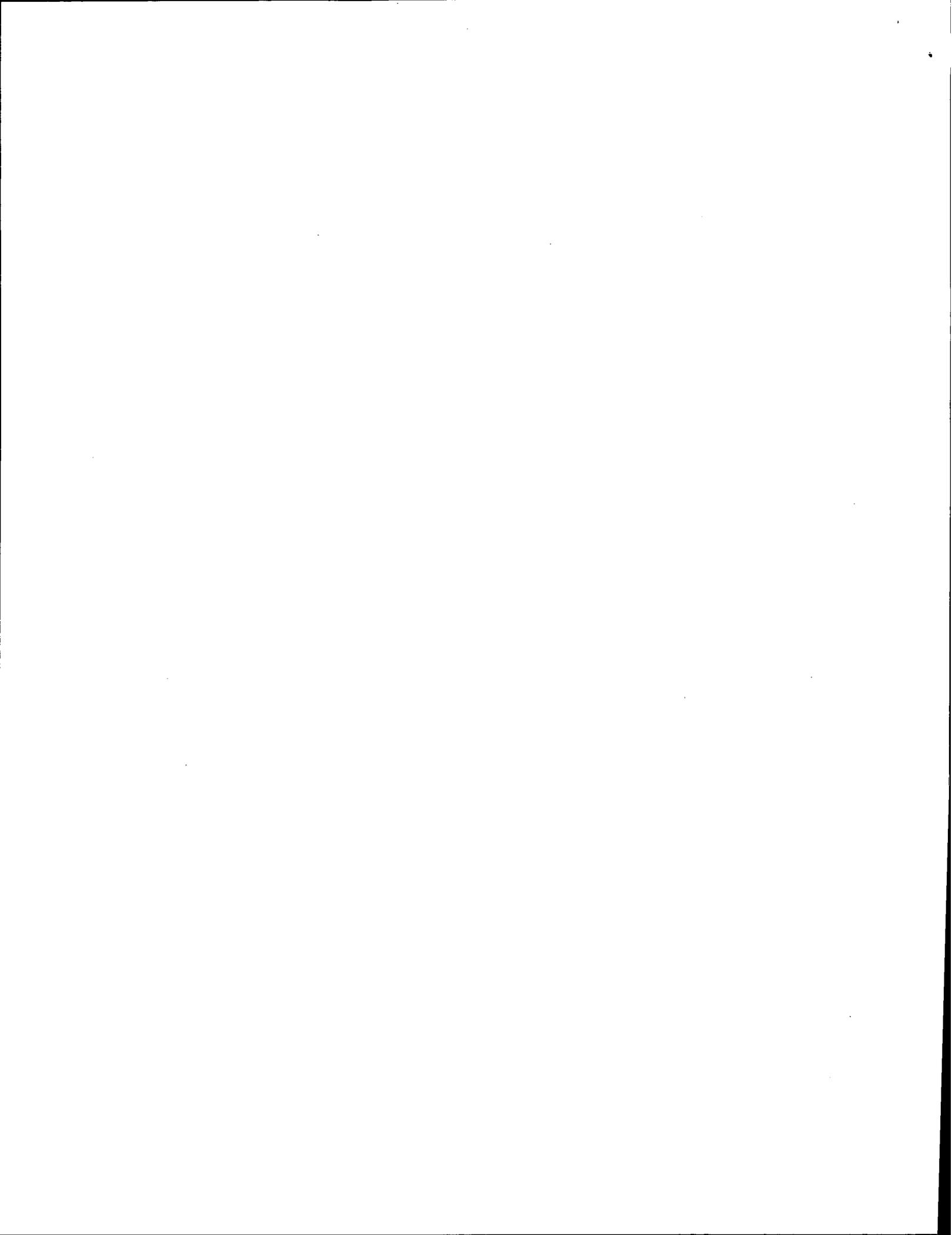
1. Premiums are considered fully earned in the initial term of all classes of bonds. Pro-rated return premiums will be calculated and issued in renewal terms, subject to the minimum annual earned premium requirement. Return premiums will be calculated from the day Surety has been released of liability from the Oblige(s).
2. Premiums for Contract Surety are based on the final contract price. Premium adjustments will be calculated at the rates in effect on the date the original bond was issued. Adjustments resulting in additional premium or return premiums will be waived if the amount is \$49.99 or less.
3. On bonds under which the Company has entered into a co-surety agreement, the co-surety's filed and approved rates may be used by the Company on its portion of the bonded obligation. The rates charged by the co-surety partner may be more appropriate for the level of risk associated with the bonded obligation.
4. The above rates may credited/debited up to 40%, subject to the maximum allowable under State law, depending upon the nature of the risk as compared to the strength of the underwriting information. A full financial, management and technical analysis will be required prior to bond rating.

# The Guarantee Company of North America USA

## Contract Bonds End Rates

5. Advance Payment of Premiums: Where annual premiums for a surety bond, written for the same principal in the same amount, are paid in advance for two years or more and the annual premium exceeds the company's minimum premium, a discount according to the following may be allowed on premiums for the second and subsequent years:

- |                                    |              |
|------------------------------------|--------------|
| 1. Court and Fiduciary Bonds       | 15% Discount |
| 2. Official Bonds                  | 15% Discount |
| 3. Miscellaneous, License & Permit | 25% Discount |
- and U.S. Government Bonds



# The Guarantee Company of North America USA

## Qualifying Factors for Contract Rates

Base Rates for Class B, A, and Miscellaneous Contracts \$30.00 per unit

Base Rates for Class A-1, Supply and Maintenance Guarantees \$15.00 per unit

→ The following criteria must be met to be eligible for a rating tier:

*Tier I - Annual bonded sales of over \$0.5 million and meet 1 of the 10 qualifying factors.*

*Tier II - Annual bonded sales of over \$1 million and meet 3 of the 10 qualifying factors.*

*Tier III - Annual bonded sales of over \$4 million and meet 5 of the 10 qualifying factors.*

*Tier IV - Annual bonded sales of over \$8 million and meet 6 of the 10 qualifying factors.*

*Tier V - Annual bonded sales of over \$10 million and meet 7 of the 10 qualifying factors.*

FISCAL YEAR-END date: \_\_\_\_\_

ACCOUNT NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

QUALIFYING FACTORS:	yes
1. The account provides independent CPA audit quality financial statements as of their fiscal year end.	
2. The account prepares and provides status of contract reports, on a semi-annual basis.	
3. The account's income statement reflects an operating or net profit for the last two of fiscal year ends.	
4. The account has a continuity plan in place.	
5. The account has a Dunn & Bradstreet Paydex score of 60 or higher and/or a Beacon Score of 680 or greater or an equivalent score from another national credit bureau.	
6. The account's debt to equity ratio falls within the upper half of its industry.	
7. The account has been in business four or more years.	
8. At least 80% of the account's ownership/management has remained unchanged in the past three years.	
9. GCNA Surety has been their surety for two or more years.	
10. The account's bank working capital line of credit usage is 75% or less of the accounts stated equity.	

Annual bonded Sales: \_\_\_\_\_

Number of criteria met: \_\_\_\_\_

Base Rate or Tier: \_\_\_\_\_

Underwriter's name: \_\_\_\_\_

Date: \_\_\_\_\_

