

<i>SERFF Tracking Number:</i>	<i>PERR-125665159</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Guarantee Insurance Company</i>	<i>State Tracking Number:</i>	<i>?? \$50</i>
<i>Company Tracking Number:</i>	<i>GIC-WC-AR-08-02-R</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation</i>		
<i>Project Name/Number:</i>	<i>GIC-WC-AR-08-02-R/GIC-WC-AR-08-02-R</i>		

## Filing at a Glance

Company: Guarantee Insurance Company

Product Name: Workers Compensation

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Filing Type: Rate/Rule

SERFF Tr Num: PERR-125665159 State: Arkansas

SERFF Status: Closed State Tr Num: ?? \$50

Co Tr Num: GIC-WC-AR-08-02-R State Status: Fees not received

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

Authors: Michelle Freitag, Diane Disposition Date: 05/28/2008

Karis, Ines Piquet, Patricia

Heckman

Date Submitted: 05/27/2008

Disposition Status: Approved

Effective Date Requested (New): 07/01/2008

Effective Date (New): 07/01/2008

Effective Date Requested (Renewal): 07/01/2008

Effective Date (Renewal):

State Filing Description:

## General Information

Project Name: GIC-WC-AR-08-02-R

Status of Filing in Domicile: Not Filed

Project Number: GIC-WC-AR-08-02-R

Domicile Status Comments:

Reference Organization: National Council on Compensation Insurance (NCCI)

Reference Number: Item # AR-2008-02

Reference Title: Arkansas--Approved Voluntary Advisory Loss Costs and Rating Values and

Advisory Org. Circular: AR-2008-06

Filing Status Changed: 05/28/2008

State Status Changed: 05/28/2008

Deemer Date:

Corresponding Filing Tracking Number: N/A

Filing Description:

On Behalf of Guarantee Insurance Company ("Guarantee") we are submitting a revision to Guarantee's workers compensation rates and rating values in the state of Arkansas. We are filing to adopt the latest approved National Council on Compensation Insurance ("NCCI") loss costs Item # AR-2008-02, approved in Approval Circular AR-2008-06. 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

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behalf all loss costs, rules and forms promulgated by the NCCI. This filing supplements the NCCI filing.

Guarantee is not filing to change their current approved loss cost multiplier of 1.527. Enclosed are Guarantee's manual pages that will change as a result of adopting the NCCI's revised loss costs and rating values. As Guarantee is using the NCCI terrorism loss costs with their LCM and the NCCI loss elimination ratios with the standard NCCI formula for premium reduction credits, there is no need to display these values on the company miscellaneous values page.

Guarantee proposes to implement this filing for all policies effective on or after July 1, 2008.

This filing has a rate impact of -8.0% on Guarantee's book of business.

Please note that Guarantee also proposes to adopt multiple rules, as listed in the Filing Memo, along with the loss costs that Guarantee is adopting with this filing. This will bring Guarantee current with NCCI.

## Company and Contact

### Filing Contact Information

(This filing was made by a third party - perrandknightactuaryconsultants)  
 Patricia Heckman, Bureau Monitoring Manager doi@perrknight.com  
 2030 Main Street Suite 235 (949) 474-0362 [Phone]  
 Irvine, CA 92614

### Filing Company Information

Guarantee Insurance Company	CoCode: 11398	State of Domicile: Florida
401 East Las Olas Boulevard	Group Code:	Company Type:
Suite 1540		
Ft. Lauderdale, FL 33301	Group Name:	State ID Number:
(954) 670-2900 ext. [Phone]	FEIN Number: 22-2222789	
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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No

*SERFF Tracking Number:*      *PERR-125665159*                      *State:*                      *Arkansas*  
*Filing Company:*              *Guarantee Insurance Company*                      *State Tracking Number:*      *#? \$50*  
*Company Tracking Number:*      *GIC-WC-AR-08-02-R*  
*TOI:*                      *16.0 Workers Compensation*                      *Sub-TOI:*                      *16.0004 Standard WC*  
*Product Name:*              *Workers Compensation*  
*Project Name/Number:*      *GIC-WC-AR-08-02-R/GIC-WC-AR-08-02-R*  
  
*Fee Explanation:*              *Loss cost filing with no change in LCM including item filings*  
*Per Company:*              *No*

SERFF Tracking Number: PERR-125665159 State: Arkansas  
Filing Company: Guarantee Insurance Company State Tracking Number: #? \$50  
Company Tracking Number: GIC-WC-AR-08-02-R  
TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Workers Compensation  
Project Name/Number: GIC-WC-AR-08-02-R/GIC-WC-AR-08-02-R

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Guarantee Insurance Company	\$0.00	05/27/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
102889	\$50.00	05/27/2008

<i>SERFF Tracking Number:</i>	<i>PERR-125665159</i>	<i>State:</i>	<i>Arkansas</i>
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## **Correspondence Summary**

### **Dispositions**

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Approved	Carol Stiffler	05/28/2008	05/28/2008
Accepted For Informational Purposes	Carol Stiffler	05/28/2008	05/28/2008

SERFF Tracking Number: PERR-125665159 State: Arkansas  
 Filing Company: Guarantee Insurance Company State Tracking Number: #? \$50  
 Company Tracking Number: GIC-WC-AR-08-02-R  
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
 Product Name: Workers Compensation  
 Project Name/Number: GIC-WC-AR-08-02-R/GIC-WC-AR-08-02-R

## Disposition

Disposition Date: 05/28/2008

Effective Date (New): 07/01/2008

Effective Date (Renewal):

Status: Approved

Comment: This disposition replaces the previous disposition which accidentally was "Accepted for informational purposes".

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	-8.000%	\$-429,360	249	\$5,367,000	18.300%	-41.600%	-8.000%

SERFF Tracking Number: PERR-125665159 State: Arkansas  
 Filing Company: Guarantee Insurance Company State Tracking Number: #? \$50  
 Company Tracking Number: GIC-WC-AR-08-02-R  
 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
 Product Name: Workers Compensation  
 Project Name/Number: GIC-WC-AR-08-02-R/GIC-WC-AR-08-02-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
Rate	Retrospective Rating Plan	Approved	Yes

SERFF Tracking Number: PERR-125665159 State: Arkansas  
 Filing Company: Guarantee Insurance Company State Tracking Number: #? \$50  
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 TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
 Product Name: Workers Compensation  
 Project Name/Number: GIC-WC-AR-08-02-R/GIC-WC-AR-08-02-R

## Disposition

Disposition Date: 05/28/2008  
 Effective Date (New): 07/01/2008  
 Effective Date (Renewal):  
 Status: Accepted For Informational Purposes  
 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	-8.000%	\$-429,360	249	\$5,367,000	18.300%	-41.600%	-8.000%

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State: Arkansas  
 State Tracking Number: #? \$50  
 Sub-TOI: 16.0004 Standard WC

## Rate Information

Rate data applies to filing.

**Filing Method:** prior approval  
**Rate Change Type:** Decrease  
**Overall Percentage of Last Rate Revision:** -4.700%  
**Effective Date of Last Rate Revision:** 12/01/2007  
**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	-8.000%	-8.000%	\$-429,360	249	\$5,367,000	18.300%	-41.600%

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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	Retrospective Rating Plan	RR1	Replacement	AR-PC-07-026617 AR 7-01-08 Retro.pdf

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY  
Rates & Rating Values  
ARKANSAS**

Effective Date: July 1, 2008  
**APPLICABLE TO RATES**  
RETROSPECTIVE RATING PLANS  
Rating Values

**1. Hazard Group Differentials**

A	B	C	D	E	F	G
1.89	1.42	1.26	1.13	0.98	0.79	0.59

**2. Tax Multipliers**

a. State (Non-F classes)	1.062
b. Federal Classes, or non-F classes where rate is increased by the USL & HW Act Percentage	1.148

**3.a. Expected Loss Ratio** 0.568  
**3.b. Expected Loss and Allocated Expense Ratio** 0.623

**4.a. Table of Expense Ratio:** Table 23A  
**4.b. Table of Expense Ratios for ALAE Option:** Table 23C

**5. 2008 Table of Expected Loss Ranges**  
Effective January 1, 2008

6.a.

**Excess Loss Factors**  
(Applicable to New and Renewal Policies)

6.b.

**Excess Loss and Allocated Expense Factors**  
(Applicable to New and Renewal Policies)

**Per Accident Limitation**

	A	B	C	D	E	F	G	A	B	C	D	E	F	G
\$25,000	0.259	0.297	0.321	0.343	0.367	0.403	0.436	0.305	0.346	0.372	0.394	0.421	0.458	0.487
\$30,000	0.240	0.278	0.302	0.324	0.350	0.387	0.423	0.284	0.326	0.352	0.375	0.403	0.441	0.474
\$35,000	0.223	0.261	0.286	0.307	0.334	0.373	0.411	0.266	0.307	0.334	0.358	0.386	0.426	0.462
\$40,000	0.209	0.246	0.271	0.293	0.320	0.360	0.400	0.250	0.291	0.318	0.342	0.372	0.413	0.451
\$50,000	0.185	0.221	0.246	0.268	0.296	0.337	0.380	0.225	0.264	0.291	0.316	0.346	0.389	0.432
\$75,000	0.147	0.178	0.202	0.223	0.252	0.293	0.341	0.181	0.216	0.243	0.267	0.298	0.343	0.392
\$100,000	0.124	0.151	0.174	0.193	0.221	0.262	0.312	0.153	0.185	0.211	0.233	0.264	0.309	0.362
\$125,000	0.107	0.131	0.154	0.172	0.198	0.238	0.289	0.134	0.162	0.187	0.208	0.238	0.282	0.337
\$150,000	0.096	0.117	0.139	0.156	0.181	0.220	0.271	0.120	0.145	0.170	0.190	0.219	0.262	0.317
\$175,000	0.086	0.106	0.127	0.143	0.167	0.204	0.255	0.108	0.132	0.156	0.174	0.202	0.244	0.300
\$200,000	0.079	0.098	0.117	0.132	0.155	0.191	0.242	0.099	0.121	0.144	0.161	0.188	0.229	0.285
\$225,000	0.073	0.090	0.109	0.123	0.145	0.180	0.231	0.092	0.112	0.134	0.151	0.176	0.216	0.272
\$250,000	0.069	0.084	0.103	0.116	0.137	0.171	0.221	0.086	0.105	0.126	0.142	0.167	0.206	0.261
\$275,000	0.065	0.079	0.098	0.109	0.130	0.162	0.212	0.081	0.099	0.120	0.134	0.158	0.196	0.251
\$300,000	0.061	0.075	0.092	0.104	0.123	0.155	0.204	0.077	0.093	0.113	0.128	0.150	0.187	0.242
\$325,000	0.058	0.071	0.088	0.099	0.118	0.149	0.197	0.073	0.088	0.108	0.122	0.143	0.179	0.234
\$350,000	0.055	0.067	0.084	0.095	0.113	0.143	0.191	0.069	0.084	0.103	0.116	0.138	0.172	0.226
\$375,000	0.052	0.065	0.081	0.091	0.108	0.138	0.185	0.066	0.081	0.100	0.111	0.132	0.166	0.219
\$400,000	0.050	0.062	0.077	0.087	0.104	0.132	0.179	0.063	0.077	0.096	0.107	0.127	0.160	0.213
\$425,000	0.048	0.060	0.075	0.084	0.100	0.128	0.174	0.061	0.074	0.092	0.103	0.122	0.155	0.207
\$450,000	0.047	0.057	0.072	0.081	0.097	0.124	0.170	0.058	0.071	0.089	0.100	0.119	0.150	0.202
\$475,000	0.045	0.055	0.069	0.079	0.094	0.121	0.166	0.056	0.069	0.086	0.096	0.115	0.145	0.197
\$500,000	0.044	0.054	0.067	0.076	0.091	0.117	0.162	0.054	0.067	0.083	0.094	0.111	0.141	0.192
\$600,000	0.039	0.048	0.061	0.068	0.082	0.105	0.148	0.048	0.059	0.075	0.084	0.100	0.128	0.176
\$700,000	0.035	0.043	0.055	0.062	0.074	0.096	0.137	0.044	0.054	0.068	0.076	0.091	0.117	0.164
\$800,000	0.033	0.041	0.052	0.058	0.069	0.090	0.128	0.041	0.050	0.064	0.071	0.084	0.109	0.153
\$900,000	0.031	0.037	0.048	0.054	0.064	0.084	0.121	0.038	0.047	0.059	0.066	0.079	0.102	0.145
\$1,000,000	0.029	0.035	0.045	0.050	0.060	0.079	0.115	0.036	0.044	0.056	0.062	0.074	0.096	0.137
\$2,000,000	0.017	0.022	0.029	0.033	0.039	0.052	0.078	0.022	0.028	0.036	0.041	0.048	0.063	0.094
\$3,000,000	0.012	0.016	0.021	0.024	0.029	0.039	0.060	0.016	0.020	0.027	0.030	0.037	0.048	0.073
\$4,000,000	0.009	0.012	0.016	0.019	0.024	0.032	0.050	0.012	0.016	0.021	0.024	0.029	0.039	0.061
\$5,000,000	0.007	0.010	0.014	0.016	0.019	0.026	0.042	0.010	0.012	0.017	0.020	0.024	0.033	0.052
\$6,000,000	0.006	0.008	0.010	0.012	0.016	0.022	0.036	0.007	0.010	0.014	0.016	0.020	0.028	0.045
\$7,000,000	0.005	0.007	0.009	0.010	0.013	0.019	0.031	0.007	0.009	0.012	0.014	0.017	0.024	0.039
\$8,000,000	0.005	0.006	0.008	0.009	0.012	0.016	0.028	0.006	0.007	0.010	0.012	0.015	0.021	0.035
\$9,000,000	0.004	0.005	0.007	0.009	0.010	0.014	0.025	0.005	0.007	0.009	0.010	0.013	0.019	0.031
\$10,000,000	0.004	0.005	0.007	0.007	0.009	0.013	0.022	0.005	0.006	0.009	0.010	0.012	0.017	0.028

\*Also applicable to Underground Coal Mine classifications.

**7. Retrospective Development Factors**

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.05	0.05	0.03	0.10	0.10	0.08	0.00

SERFF Tracking Number: PERR-125665159 State: Arkansas  
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TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC  
Product Name: Workers Compensation  
Project Name/Number: GIC-WC-AR-08-02-R/GIC-WC-AR-08-02-R

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 05/28/2008

**Comments:**

**Attachments:**

PCTD.pdf  
Rate Rule Filing Schedule.pdf

**Satisfied -Name:** NAIC Loss Cost Filing Document for Workers' Compensation **Review Status:** Approved 05/28/2008

**Comments:**

**Attachments:**

Cover Form.pdf  
LC Filing Doc for WC LCM.pdf

**Satisfied -Name:** NAIC loss cost data entry document **Review Status:** Approved 05/28/2008

**Comments:**

**Attachment:**

Rate Filing Abstract.pdf



## Property & Casualty Transmittal Document—

<b>20. This filing transmittal is part of Company Tracking #</b>	<b>GIC-WC-AR-08-02-R</b>
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<b>21. Filing Description</b> [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 (“Guarantee”) we are submitting a revision to Guarantee’s workers compensation rates and rating values in the state of Arkansas. We are filing to adopt the latest approved National Council on Compensation Insurance (“NCCI”) loss costs approved in Approval Circular AR-2008-06. 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.

Guarantee is not filing to change their current approved loss cost multiplier of 1.527. Enclosed are Guarantee’s manual pages that will change as a result of adopting the NCCI’s revised loss costs and rating values. As Guarantee is using the NCCI terrorism loss costs with their LCM and the NCCI loss elimination ratios with the standard NCCI formula for premium reduction credits, there is no need to display these values on the company miscellaneous values page.

Guarantee proposes to implement this filing for all policies effective on or after July 1, 2008.

This filing has a rate impact of -8.0% on Guarantee’s book of business.

The following is a listing of the rules and loss costs that Guarantee is adopting with this filing. This will bring Guarantee current with NCCI.

NCCI Circular	Arkansas Item #
<u>AR-2008-06</u>	Item AR-2008-02
<u>AR-2008-01</u>	Item-B-1406
<u>AR-2007-12</u>	Item B-1397-A (Amendment)
<u>IF-2007-07-05</u>	Item B-1387-A
<u>AR-2007-09</u>	Item 02-AR-2007
<u>IF-2007-07-04</u>	Item B-1404
<u>IF-2007-07-03</u>	Item R-1396
<u>IF-2007-07-02</u>	Item 02-AR-2007
<u>IF-2007-06-02</u>	Item 01-AR-2007
<u>IF-2007-04-03</u>	Item B-1397

<b>22. Filing Fees</b> (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.)**

## 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.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>GIC-WC-AR-08-02-R</b>
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>N/A</b>
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Rate Increase     
  Rate Decrease     
  Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	<b>Prior Approval</b>
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<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>
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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	-8.0%	-8.0%	-429,360	249	\$5,367,000	18.3%	-41.6%

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>
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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

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

<b>6.</b>	Overall percentage of last rate revision	-4.700 %
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<b>7.</b>	Effective Date of last rate revision	12/01/2007
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<b>8.</b>	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	RRI	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AR-PC-07-026617
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	

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

DATE May 23, 2008

Page 1 of 2

1. INSURER NAME Guarantee Insurance CompanyADDRESS 401 East Las Olas Boulevard, Suite 1540Ft. Lauderdale, FL 33301PERSON RESPONSIBLE FOR FILING Patricia HeckmanTITLE Manager, Bureau Monitoring TELEPHONE NO. (866) 296-75552. INSURER NAIC NO. 11398 GROUP NO. 00003. ADVISORY ORGANIZATION National Council on Compensation Insurance, Inc. (NCCI)4. ADVISORY ORGANIZATION REFERENCE FILING NO. Item #AR-2008-02

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 -8.0 % EFFECTIVE DATE July 1, 2008B. PROPOSED PREMIUM LEVEL CHANGE -8.0 % EFFECTIVE DATE July 1, 20087. 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.

**FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION**

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

<b>This filing transmittal is part of Company Tracking #</b>	GIC-WC-AR-08-02-R
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	N/A

- Loss Cost Reference Filing** Item # AR-2008-02       **Independent Rate Filing**  
 (Advisory Org, & Reference filing #) National Council on Compensation Insurance (NCCI) Item # AR-2008-02

**If this is a loss cost filing adopting an advisory organization's loss costs, 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, the expense constants specified in the attachments.**

**1. 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.

**Note: Some states have statutes that prohibit this option for some lines of business.**

- 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.

**2. Does this filing apply to all class codes? Yes**

**If no, complete a copy of this form for each affected class with appropriate justification.**

**3. 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: (See Examples Below) 1.00

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

**NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.**

**4. 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	
<b>A.</b>	<b>Total Production Expense</b>	10.6	%
<b>B.</b>	<b>General Expense</b>	7.5	%
<b>C.</b>	<b>Taxes, Licenses &amp; Fee</b>	5.2	%
<b>D.</b>	<b>Underwriting profit &amp; contingencies*</b>	0.0	%
<b>E.</b>	<b>Other (explain)</b>	0.0	%
<b>F.</b>	<b>Total</b>	23.3	%
	<b>* Explain how investment income is taken into account</b>		

<b>5.</b>	<b>A.</b>	<b>Expected Loss Ratio: ELR = 100% - 4F =</b>	76.7 %
	<b>B.</b>	<b>ELR in Decimal Form =</b>	.767

**NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION**

6.	<b>Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)</b>	1.001
7.	<b>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)</b>	.888
8.	<b>Company Formula Loss Cost Multiplier [3B / ((7 - 4F) X 6)]</b>	1.527
9.	<b>Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 8 and 9)</b>	1.527

- |            |   |                          |                                     |
|------------|---|--------------------------|-------------------------------------|
|            |   | Yes                      | No                                  |
| <b>10.</b> | <b>Are you amending your minimum premium formula?</b>   |                          |                                     |
|            | If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>11.</b> | <b>Are you changing your premium discount schedules?</b>  |                          |                                     |
|            | If yes, attach schedules and support, detailing premium or rate level changes.  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

RATE FILING ABSTRACT

Insurer Name Guarantee Insurance Company Contact Person Patricia Heckman  
 NAIC Number 11398 Signature Patricia Heckman  
 Name of Advisory Organization Whose Filing You Are Referencing NCCI Telephone No. (866) 296-7555  
 Co. Affiliation to Advisory Organization: Member  Subscriber \_\_\_\_\_ Service Purchaser Guarantee Insurance Company  
 Reference Filing # Item # AR-2008-02 Proposed Effective Date July 1, 2008

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
Workers Compensation	-8.0%	-8.0%	65.5%	1.00	1.527	\$200	1.527
TOTAL OVERALL EFFECT		-8.0%					

\_\_\_\_\_ Apply Lost Cost Factors to Future Filings? (Y or N) N  
 \_\_\_\_\_ Maximum Rate Increase for any Arkansas Insured (%) 18.3%  
 \_\_\_\_\_ Maximum Rate Decrease for any Arkansas Insured (%) -41.6%

Corresponds to Question 3 on RF-2 or RF-WC

5 Year History								Selected Provisions	
Year	Policy Count	Rate Change %	Eff. Date	AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio		
07	1,119	-4.7%	7/1/07	5,204	4,740	91.1%	32.2%	A. Total Production Expense	10.6%
06	386	-0.5%	11/1/06	4,686	1,370	29.0%	54%	B. General Expense	7.5%
05	210	-1.5%	7/1/05	2,401	1,583	65.9%	54%	C. Taxes, License & Fees	5.2%
04	59	n/a	5/1/04	237	94	40.5%	60%	D. Underwriting Profit & Contingencies	0.0%
								E. Other (explain)	11.2%
								Effect of Premium Discounts	
								F. TOTAL	34.5%