

## OFFICE OF INSURANCE REGULATION

JIMMY PATRONIS CHIEF FINANCIAL OFFICER

PAM BONDI ATTORNEY GENERAL

ADAM PUTNAM COMMISSIONER OF AGRICULTURE

DAVID ALTMAIER

COMMISSIONER

November 17, 2017

The Honorable Jimmy Patronis Chief Financial Officer Department of Financial Services Plaza Level 11, The Capitol Tallahassee, FL 32399-0301

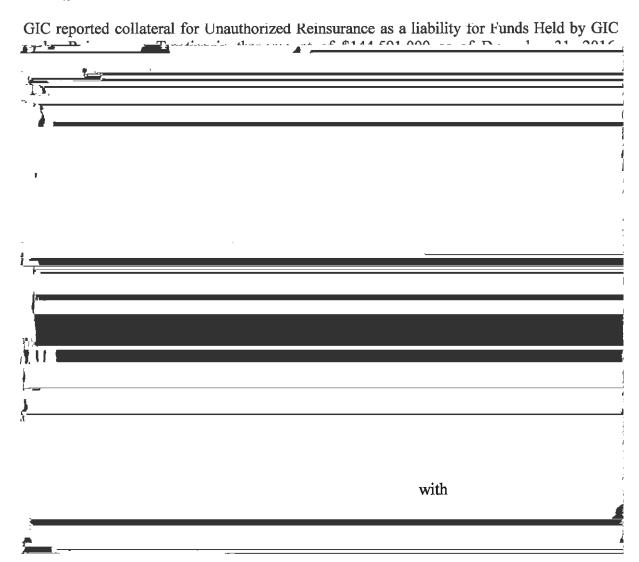
Re: Guarantee Insurance Company

Dear Chief Financial Officer Patronis

Please be advised that the Office of Insurance Regulation (hereinafter referred to as "Office") has determined that one or more grounds exist for the initiation of delinquency proceedings, pursuant to Chapter 631x Florida Statutes, wagainst Quarantee Insurance Company (hereinafter referred to as "GIC") GIC is a Florida corporation, authorized to transact business as a property and casualty

The Office finds, for the reasons set forth in this letter and the attached exhibits, that GIC's insolvency renders its further transaction of insurance hazardous to its policyholders, subscribers, claimants, creditors, and the citizens of the state of Florida.

## (3) Has willfully violated its charter or certificate of incorporation or any law of this state (§631.051(8), F.S.);



Maintaining collateral is required under Statements of Statutory Accounting Principles 62R to qualify for reinsurance credits on business ceded under unauthorized reinsurance. GIC

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Therefore, the Office is advising the Department of these determinations so that delinquency proceedings can be initiated by the Division of Rehabilitation and Liquidation. The following exhibits are attached in support of such determination:

Exhibit A – Affidavit of Virginia Christy, Director, Property & Casualty Financial Oversight, with Exhibits 1 through 3; and

Exhibit B – Affidavit of James Menck, contracted representative of the Office.

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The Office is prepared to provide any additional information or assistance the Department may require to proceed as expeditiously as possible. Thank you for your attention to this matter.

Sincerely,

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David Altmaier Commissioner