

# CEO says Guard's sale will bring growth, additional jobs

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Witkowski

The sale of Guard Insurance Group in Wilkes-Barre to a unit of billionaire Warren Buffet's Berkshire Hathaway will mean growth and additional jobs, the company's chief operating officer said Thursday.

Clal U.S. Holdings, which owns Guard Insurance Group, was sold to Nebraska-based National Indemnity Co. for \$221 million, according to a report from Clal to the Israeli stock exchange. As part of the sale, National Indemnity Co. also took on a \$48 million loan that Clal borrowed from a large international banking institution, according to the report. The sale was completed Thursday.

Carl Witkowski, chief operating officer of Guard Insurance Group, said the world-class high-performing National Indemnity Co. was interested in Guard because the company was successful and profitable during some difficult years in the recent past.

"Despite a long and deep recession and challenging period within our industry, we managed to expand and produce good financial results," Witkowski said. "With the economy slowly turning around and a strong parent company to assist us, we are very optimistic about our prospects for profitable expansion and growth."

Guard Insurance employs a total of 310 people, with 285 working at its home office in Wilkes-Barre, Witkowski said. In addition to Wilkes-Barre, Guard Insurance has field offices in Georgia, New Hampshire, New York, New Jersey, California, Maryland, Florida and Virginia.

The company provides workers' compensation insurance to small to mid-sized businesses and currently insures more than 60,000 in 29 states.

With the acquisition by National Indemnity, Witkowski said company officials hopes to expand to every state and hire additional employees. He would not say how many people Guard Insurance will hire, but he said the company has been participating in job fairs and hiring. He said the number of jobs created would be a reflection of the growth of the company over time.

"We are very proud that such a well-respected, world-class group was interested in purchasing us," Guard president and chief executive Sy Foguel said in a statement. "With the operational and financial support of our new parent company, we believe that Guard can become a national presence within the marketplace within a few years."

Over the last few years, Guard began offering additional complementary property and liability lines. The company provides a business owner's policy and commercial auto coverage in select states.

"We've been both growing and profitable over the past several years," Witkowski said. "The industry shrank by about 15 percent and we doubled our size in the last three years, not just in terms of premiums, but also profitable growth. If you look at this track record of National Indemnity Co., they buy strong companies, good companies, good systems and good management and they help them grow and prosper."

Thanks to growth, Witkowski said Guard Insurance was named a "Ward's Top 50" performer, a prestigious distinction that places the company among the top property and casualty companies nationally.

"If it weren't for our performance, we wouldn't have the interest of a wonderful world-class high-performing organization such as Berkshire Hathaway's National Indemnity Co.," Witkowski said. "Now, we will have an additional surplus and capital as well as the kind of resources that a world-class organization such as National Indemnity Company brings to us so we can continue our growth."

Kingston residents Judd and Susan Shoval founded Guard Insurance in 1983. They retired but have subsequently served on the board of directors.

Guard operated as an independent carrier until Clal Insurance Enterprises Holdings acquired it in 2007. Guard's new parent company, National Indemnity, was founded in 1940 and is a worldwide provider of specialized insurance.

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