

STATE OF INDIANA ) BEFORE THE INDIANA  
 ) SS:  
COUNTY OF MARION ) COMMISSIONER OF INSURANCE

IN THE MATTER OF: )  
 )  
**Golden Rule Insurance Company** )  
**7440 Woodland Drive** )  
**Indianapolis, Indiana 46278** )

Examination of: **Golden Rule Insurance Company**

**NOTICE OF ENTRY OF ORDER**

Enclosed is the Final Order entered by Amy L. Beard, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Golden Rule Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as amended by the Final Order, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Golden Rule Insurance Company, shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

June 3, 2024 )  
Date )  
Roy Eft )  
Chief Financial Examiner )

**CERTIFIED MAIL NUMBER: 7019 0700 0000 3590 2997**

STATE OF INDIANA )  
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IN THE MATTER OF: )  
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**Golden Rule Insurance Company** )  
**7440 Woodland Drive** )  
**Indianapolis, Indiana 46278** )

Examination of: **Golden Rule Insurance Company**

### FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Golden Rule Insurance Company, (hereinafter “Company”) for the time period January 1, 2018 through December 31, 2022.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on April 25, 2024.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 23, 2024, and was received by the Company on «Date\_1st\_Order\_Received\_by\_Company».

On May 31, 2024, pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company’s response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:

1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2022.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance laws of the state of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, as amended, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination, as amended. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 3 day of  
June, 2024.

  
\_\_\_\_\_  
Amy L. Beard  
Insurance Commissioner

## ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

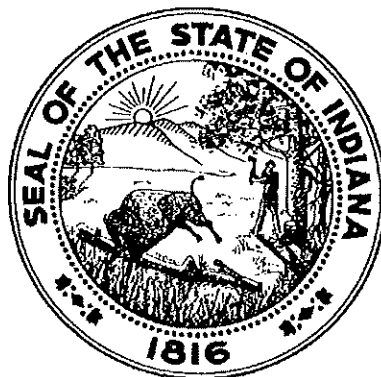
Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

**STATE OF INDIANA**  
**Department of Insurance**  
**REPORT OF EXAMINATION**  
**OF**

**GOLDEN RULE INSURANCE COMPANY**  
NAIC Co. CODE 62286  
NAIC GROUP CODE 0707

As of

December 31, 2022



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# STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

**Indiana Department of Insurance**

Amy L. Beard, Commissioner  
311 W. Washington Street, Suite 103  
Indianapolis, Indiana 46204-2787  
Telephone: 317-232-2385  
Fax: 317-234-2103  
Website: [in.gov/idoi](http://in.gov/idoi)

April 25, 2024

Honorable Amy L. Beard, Commissioner  
Indiana Department of Insurance  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4136, an examination has been made of the affairs and financial condition of:

**Golden Rule Insurance Company**  
**7440 Woodland Drive**  
**Indianapolis, Indiana 46278**

hereinafter referred to as the "Company", or "GRIC", an Indiana domestic stock, life, accident and health insurance company. The examination was conducted remotely with assistance from the corporate offices of the Company in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2022, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES 317-232-2389    COMPANY COMPLIANCE 317-232-3495    CONSUMER SERVICES 317-232-2395/1-800-622-4461    FINANCIAL SERVICES 317-232-2390    MEDICAL MALPRACTICE 317-232-5253    COMPANY RECORDS 317-232-2383    STATE HEALTH INSURANCE PROGRAM 1-800-452-4800

## SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2013 through December 31, 2017. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2018 through December 31, 2022, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

The examination of the UnitedHealth Group Incorporated (UHG) was called by the Connecticut Insurance Department (CID) in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The CID served as the lead state on the examination, Wisconsin Office of the Commissioner of Insurance served as the facilitating state, and the INDOI served as a full participant. Participating states included Alabama, California, Colorado, Florida, Kentucky, Minnesota, Nebraska, Nevada, New Hampshire, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, and Texas.

The Pennsylvania Insurance Department (PID) contracted Lewis & Ellis, Inc. to perform a group-wide actuarial review. The actuarial review was overseen by the PID.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as mentioned in Indiana Code (IC) 27-1-3.1-10 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

## HISTORY

The Company was incorporated as St. Anthony Life Insurance Company on June 17, 1959, and commenced operations on June 23, 1961. In 1962, the Company assumed the name of Congressional Life Insurance Company, and the present name was adopted in June 1977. GRIC is a wholly owned subsidiary of Golden Rule Financial Corporation (GRFC). Effective November 13, 2003, 100% of GRFC and its subsidiaries were acquired by UHG. GRIC redomiciled, with state approval, from Illinois to Indiana effective October 2006.

Effective October 1, 2005, GRIC entered into an indemnity reinsurance agreement to reinsure all life and annuity business, excluding group life and term life rider business to The State Life Insurance Company.

The Company received approval from the INDOI to convert from a blue blank to an orange blank beginning with the statutory basis financial statements filed for the quarter ended March 31, 2022.



## CAPITAL AND SURPLUS

The Company has 1,000,000 shares authorized and 815,676 shares issued and outstanding of \$4 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, GRFC.

## DIVIDENDS TO STOCKHOLDERS

The Company paid the following dividends to GRFC during the examination period:

<u>Year</u>	<u>Total</u>	<u>Ordinary Dividends</u>	<u>Extraordinary Dividends</u>
2022	\$120,000,000	\$120,000,000	\$ -
2021	130,000,000	130,000,000	-
2020	156,500,000	156,500,000	-
2019	130,000,000	130,000,000	-
2018	82,000,000	82,000,000	-
Total	<u>\$618,500,000</u>	<u>\$618,500,000</u>	<u>\$ -</u>

In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net income of such insurer of the prior year. The Company paid no extraordinary dividends during the examination period. Other dividends paid during the examination period were ordinary in nature and did not require prior regulatory approval. In accordance with IC 27-1-23-1.5, the Company notified the INDOI of all declared dividends to the parent during the examination period.

## TERRITORY AND PLAN OF OPERATION

The Company is domiciled in Indiana and is licensed to sell life, annuity, and accident and health (A&H) insurance in the District of Columbia, Guam and all states, except New York. There were no new state licenses since the prior examination. The Company's A&H revenues are primarily derived from the sale of individual major medical policies. The Company's health insurance portfolio includes co-pay, high deductible and basic, health savings account, short term medical, fixed indemnity plans, disability income, critical illness, vision, Medicare Supplement and dental plans. The Company is not actively marketing long-term A&H policies. It will continue to serve existing grandfathered and non-grandfathered renewable A&H policies as well as those subject to transitional relief. The Company will also market A&H products not subject to the Patient Protection and Affordable Care Act.

The Company maintains an indemnity reinsurance agreement to reinsure all life and annuity business, excluding group life and term life rider business, to a non-affiliate Indiana domestic, The State Life Insurance Company.

## GROWTH OF THE COMPANY

The following table summarizes the financial results of the Company during the examination period:

Year	Admitted Assets	Liabilities	Capital and Surplus	Total Revenues	Net Income
2022	\$ 607,970,598	\$ 296,188,085	\$ 311,782,513	\$ 1,640,673,231	\$ 181,663,547
2021	575,797,329	328,859,836	246,937,493	1,706,055,934	120,192,818
2020	628,902,509	371,947,332	256,955,177	1,627,660,524	162,811,148
2019	594,316,349	335,309,001	259,007,348	1,470,025,066	156,647,543
2018	522,610,328	280,576,183	242,034,145	1,264,008,561	130,571,366

The increase in liabilities from 2018 to 2020 is primarily due to an increase in contract claims for A&H contracts due to the growth in business experienced in 2019 and 2020. The decrease in subsequent years is primarily due to decreases in contract claims for A&H contracts, offset by an increase in premiums received in advance.

The increase in capital and surplus from 2021 to 2022 is primarily driven by the net income of \$181.7 million offset by the dividend paid of \$120 million.

Increases in total revenue from 2018 to 2020 are driven by an increase in membership along with strong growth in ancillary products. The Company's business mix continues to move toward lower Per Member Per Month products, resulting in favorable volume variance offset by an unfavorable rate variance.

The increase in net income from 2018 to 2019 is primarily due to an increase of member months. The decrease in net income from 2020 to 2021 is primarily due to a \$117 million increase in disability benefits and benefits under A&H contracts, offset by a decrease in federal income taxes and an increase in net premium income of \$70 million. The increase in net income from 2021 to 2022 is primarily due to a decrease in hospital and medical benefits of \$123 million offset by a decrease in total revenues.

## MANAGEMENT AND CONTROL

### Directors

The Company is managed by its Board of Directors (Board). The Company's Bylaws state the Board, of no less than five (5) nor more than ten (10), shall be elected by the stockholders at the annual meeting. Directors shall be citizens of the United States or Canada, be at least twenty-one (21) years of age, and shall be elected for a term of not more than one (1) year. At least one (1) director shall be a resident of the state of Indiana.

The following is a listing of persons serving as directors as of December 31, 2022, and their principal occupations as of that date:

Name and Address	Principal Occupation
Ahmad Isam Ansari Richfield, Minnesota	Executive United Healthcare Services, Inc. *
John William Cosgriff Mendota Heights, Minnesota	Executive United Healthcare Services, Inc. *
James Mark Gabriel DePere, Wisconsin	Executive United Healthcare Services, Inc. *
Christopher Michael Reuter Carmel, Indiana	Executive United Healthcare Services, Inc. *
Richard Charles Sullivan Indianapolis, Indiana	Executive United Healthcare Services, Inc. *

\*The directors/officers support the business noted above, but are employees of United HealthCare Services, Inc. (UHS).

### Officers

The Bylaws state that the corporation shall have such officers as the Board, the Chief Executive Officer, if any, or the President, if any, from time to time may elect. Any number of offices may be held simultaneously except the offices of President and Secretary. Each officer shall hold office until a successor has been elected and qualified, unless a different term is specified at the time of election, or until his or her earlier death, resignation or removal.

The following is a list of key officers and their respective titles as of December 31, 2022:

Name	Office
John William Cosgriff	President, Chief Executive Officer and Board Chair
Peter Marshall Gill	Treasurer
Richard Charles Sullivan	Secretary and Vice President
Ahmad Isam Ansari	Chief Financial Officer and Vice President
Nyle Brent Cottingham	Vice President
James Mark Gabriel	Senior Vice President
Heather Anastasia Lang	Assistant Secretary
Jessica Leigh Zuba	Assistant Secretary

### **CONFLICT OF INTEREST**

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2022.

## OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2022.

## CORPORATE RECORDS

### Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

### Bylaws

On March 5, 2019, in response to the prior exam report, the Company amended and restated its Bylaws to indicate the annual meeting of shareholders is to be held in compliance with IC 27-1-7-7(b). During the process of restating the Bylaws to comply with IC, the Company also added language to make remote communications acceptable as a means of meeting, authorized the use of electronic signatures, provides the Board or shareholders the ability to determine reasonable compensation for the Board and its committees, and establishes requirements for all officers to execute individual fidelity bond coverage.

### Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. The Company's Bylaws do not specify the date or time the annual meeting of shareholders is to be held; however, the Company amended and restated its Bylaws in 2019 to specify that annual meetings be held in compliance with IC 27-1-7-7(b). Subsequent to the Bylaw amendment, all annual meetings were held within five (5) months following the close of each fiscal year, as required by IC 27-1-7-7(b).

The committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the GRFC Audit Committee, which is the only board level committee.

## AFFILIATED COMPANIES

### Organizational Structure

The following abbreviated organizational chart shows the Company's parent and any affiliates subject to the 2022 exam, as of December 31, 2022:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
UnitedHealth Group, Inc.		DE
Golden Rule Financial Corporation		DE
<b>All Savers Insurance Company</b>	<b>82406</b>	<b>IN</b>
<b>All Savers Life Insurance Company of California</b>	<b>73130</b>	<b>CA</b>
<b>Golden Rule Insurance Company</b>	<b>62286</b>	<b>IN</b>

### Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

#### *Dental Services Agreement*

Effective January 1, 2014, the Company and Dental Benefit Providers, Inc. (DBP) entered into the Dental Services Agreement. Pursuant to the Agreement, DBP develops, contracts and manages a network of dental health care professionals to provide dental services to the Company's members. DBP also provides Third Party Administrator and other services. During the calendar year ended December 31, 2022, the Company paid \$8.5 million for the services described in this Agreement.

#### *Prescription Drug Benefit - Administrative Services Agreement*

Effective January 1, 2013, OptumRx, Inc. (OptumRx) and UHS entered a Prescription Drug Benefit Administration Agreement. Effective October 1, 2013, the Company entered into the Agreement through signing a Participating Addendum. Pursuant to the Agreement, OptumRx provides Core Prescription Drug Benefit Services and Mail Order Pharmacy Services. Under the Core Prescription Drug Benefit Services, OptumRx establishes and maintains a network of pharmacies to service the benefit plans, provide claims processing services, benefits administration and support, marketing and sales support, account management services, rebate administration, clinical services and finance and analytical support services. Under the Mail Order Pharmacy Services, OptumRx provides mail order network prescription services. During the calendar year ended December 31, 2022, the Company paid \$85 million for the services described in this Agreement.

#### *Facility Participation Agreement*

Effective July 1, 2018, the Company and OptumRx entered into an Administrative Services Agreement which replaced and superseded the Company's participation in the Facility Participation Agreement effective December 1, 2015. Pursuant to the agreement, OptumRx acts as a specialty pharmacy provider to the Company. OptumRx provides the specialty pharmacy medications identified in the payment appendix covered under the member's Pharmacy Benefits. Currently this benefit is being offered to the Company's eligible members under the applicable participating Commercial plans, as applicable. During the calendar year ended December 31, 2022, the Company paid \$17.2 million for the services described in this agreement.

#### *Management Services Agreement*

Effective January 1, 2014, the Company and UHS entered into a Management Services Agreement. Pursuant to the Agreement, UHS provides management and operational support services to the Company. During the calendar year ended December 31, 2022, the Company paid \$238.5 million for the services described in this agreement.

#### *Amended and Restated Subordinated Revolving Credit Agreement*

Effective July 1, 2012, the Company entered into an Amended and Restated Subordinated Revolving Credit Agreement (Agreement) with UHG. Pursuant to the Agreement, UHG agrees to provide short-term borrowing facilities, with an available line of credit of \$150 million. On October 28, 2022, the Company borrowed \$2 million from UHG. The loan was subsequently repaid on October 31, 2022, with interest totaling \$607.12. There was no outstanding balance under the Agreement as of December 31, 2022.

Effective December 31, 2022, the Agreement was terminated.

#### *Tax Sharing Agreement*

Effective January 1, 2005, the Company became a party to the First Restated Tax Sharing Agreement dated as of January 1, 1997, between UHG and its subsidiaries. The Tax Sharing Agreement establishes a formal method for the allocation and payment of federal, state and local income tax liabilities related to the consolidated federal tax returns of UHG and its subsidiaries filed each year. Generally, each member of the group pays its federal income tax liability or receives federal income tax benefits, as if the member had filed as a separate entity. For calendar year 2022, the tax liability associated with the Tax Sharing Agreement for the Company was \$45.3 million.

### **FIDELITY BOND AND OTHER INSURANCE**

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through fidelity bond coverage issued by Beazley Insurance Company, Inc. The bond is held at the UHG level and covers all subsidiaries. The bond's aggregate coverage limit is \$50 million with a \$500,000 deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2022, including but not limited to commercial general liability, employee benefits liability, employers liability, management indemnity/directors' and officers' liability, property/bodily injury, and workers' compensation liability. These policies are held at the UHG level and cover all subsidiaries.

### **PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS**

The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of the Management Services Agreement.

### SPECIAL AND STATUTORY DEPOSITS

The Company reported the following deposits, as of December 31, 2022:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For All Policyholders:		
Indiana	\$ 1,558,226	\$ 1,499,090
Virginia	57,025	52,836
All Other Special Deposits:		
Massachusetts	100,081	109,826
North Carolina	659,868	720,974
Total Deposits	<u>\$ 2,375,200</u>	<u>\$ 2,382,726</u>

### REINSURANCE

#### Ceded Reinsurance

Effective October 1, 2005, GRIC entered into an indemnity reinsurance agreement to reinsure all life and annuity business, excluding group life and term life rider business, to State Life Insurance Company.

#### Assumed Reinsurance

The Company has no reinsurance assumed.

### ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balance prepared from the Company's general ledger for the year ended December 31, 2022 was agreed to the Annual Statement. The Annual Statement for the year ended December 31, 2022 was agreed to the independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

FINANCIAL STATEMENTS

GOLDEN RULE INSURANCE COMPANY

Assets

As of December 31, 2022

	<u>Per Examination*</u>
Bonds	\$ 444,313,746
Real Estate:	
Properties occupied by the company	2,147,334
Cash, cash equivalents and short-term investments	107,205,435
Other invested assets	<u>3,545,421</u>
Subtotals, cash and invested assets	557,211,936
Investment income due and accrued	3,595,013
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	9,381,665
Reinsurance:	
Other amounts receivable under reinsurance contracts	495,295
Current federal and foreign income tax recoverable and interest thereon	11,080,935
Net deferred tax asset	10,841,133
Guaranty funds receivable or on deposit	3,012,544
Health care and other amounts receivable	<u>12,352,077</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>607,970,598</u>
Total	<u>\$ 607,970,598</u>

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\*There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.



GOLDEN RULE INSURANCE COMPANY  
Liabilities, Surplus and Other Funds  
As of December 31, 2022

	<u>Per Examination*</u>
Claims unpaid	\$ 150,402,390
Unpaid claims adjustment expenses	5,678,305
Aggregate health policy reserves	53,963,235
Aggregate life policy reserves	700,743
Aggregate health claim reserves	2,425,866
Premiums received in advance	31,477,855
General expenses due or accrued	22,644,452
Amounts withheld or retained by company for account of others	14,955
Remittances and items not allocated	250,418
Amounts due to parent, subsidiaries and affiliates	1,715,898
Drafts outstanding	23,381,257
Aggregate write-ins for other liabilities	3,532,711
Total liabilities	<u>296,188,085</u>
Aggregate write-ins for special surplus funds	1,349,395
Common capital stock	3,262,704
Gross paid in and contributed surplus	14,162,016
Unassigned funds (surplus)	<u>293,008,398</u>
Surplus as regards policyholders	311,782,513
Total	<u>\$ 607,970,598</u>

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\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

GOLDEN RULE INSURANCE COMPANY  
Statement of Revenue and Expenses  
For the Year Ended December 31, 2022

	<u>Per Examination*</u>
<b>UNDERWRITING INCOME</b>	
Member Months	14,799,042
Net premium income	\$ 1,633,913,721
Change in unearned premium reserves & reserve for rate credits	2,619,271
Aggregate write-ins for other health care related revenues	<u>4,140,239</u>
Total revenues	1,640,673,231
<b>DEDUCTIONS</b>	
<b>Hospital and Medical:</b>	
Hospital/medical benefits	784,271,464
Other professional services	86,796,054
Prescription drugs	<u>108,816,887</u>
Subtotal	<u>979,884,405</u>
<b>Less:</b>	
Net reinsurance recoveries	<u>20,320,464</u>
Total hospital and medical	<u>959,563,941</u>
Non-health claims (net)	2,661,822
Claims adjustment expenses, including cost containment expenses	66,376,420
General administrative expenses	393,303,602
Increase in reserves for life and accident and health contracts	<u>267,177</u>
Total underwriting deductions	<u>1,422,172,962</u>
Net underwriting gain (loss)	218,500,269
<b>INVESTMENT INCOME</b>	
Net investment income earned	10,608,300
Net realized capital gains (losses) less capital gains tax	<u>(1,906,427)</u>
Net investment gain (loss)	8,701,873
<b>OTHER INCOME</b>	
Aggregate write-ins for other income or expenses	<u>277,692</u>
Total other income	<u>277,692</u>
Net income or (loss) after capital gains tax and before all other federal income taxes	227,479,834
Federal and foreign income taxes incurred	<u>45,816,287</u>
Net income	<u>\$ 181,663,547</u>

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

GOLDEN RULE INSURANCE COMPANY  
Capital and Surplus Account Reconciliation\*†

	2022	2021	2020	2019	2018
Capital and surplus, December 31 prior year	\$ 246,937,493	\$ 256,955,177	\$ 259,007,348	\$ 242,034,145	\$ 198,627,101
Net income or (loss)	181,663,547	120,192,818	162,811,148	156,647,543	130,571,366
Change in net deferred income tax	200,526	2,825,006	3,964,356	4,165,675	2,303,026
Change in nonadmitted assets	621,051	(1,087,465)	(10,372,276)	(11,901,146)	(5,706,445)
Change in asset valuation reserve	4,159,086	(148,853)	(156,209)	(139,681)	38,287
Change in surplus as a result of reinsurance	(1,799,190)	(1,799,190)	(1,799,190)	(1,799,188)	(1,799,190)
Dividends to stockholders	(120,000,000)	(130,000,000)	(156,500,000)	(130,000,000)	(82,000,000)
Net change in capital and surplus for the year	<u>64,845,020</u>	<u>(10,017,684)</u>	<u>(2,052,170)</u>	<u>16,973,203</u>	<u>43,407,044</u>
Capital and surplus, December 31 current year	<u>\$ 311,782,513</u>	<u>\$ 246,937,493</u>	<u>\$ 256,955,177</u>	<u>\$ 259,007,348</u>	<u>\$ 242,034,145</u>

\* The Company changed from filing a Life blank to a Health blank beginning March 31, 2022. The tables above are reported as if a Health blank was filed for all years during the examination period.

† The balances include immaterial rounding differences.

## COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2022, based on the results of this examination.

## OTHER SIGNIFICANT ISSUES

There are no other significant issues as of December 31, 2022, based on the results of this examination.

## SUBSEQUENT EVENTS

### *Promissory Note Agreement*

Effective January 1, 2023, the Company entered into a Promissory Note (the January Note) with UHS. The maximum amount that may be borrowed by the Company from UHS under this note will not exceed, in any year, the lesser of 3% of the Company's admitted assets or 25% of surplus as regards policyholders each as of the prior year-end. Accordingly, the January Note is not subject to prior approval by the INDOI, as set forth in the state's holding company laws. Following the approval of the "April Note" (listed below), the January Note shall automatically be terminated with no further effect or force.

No advances were made under the Agreement in 2022 and there was no outstanding balance under the Agreement as of December 31, 2022.

### *Promissory Note Agreement*

Effective April 1, 2023, the Company entered into a Promissory Note Agreement (the April Note) with UHS. Pursuant to the April Note, UHS agrees to lend the Company an aggregate principal amount as named within the April Note for an arm's length interest charge. The April Note may be prepaid at any time in whole or in part. Payment of principal and interest will be subordinated to the claims of non-affiliated creditors. The April Note was approved by the INDOI on March 15, 2023. Following the approval of the April Note, the January Note (listed above) was automatically terminated with no further effect or force.

No advances were made under the Agreement in 2022 and there was no outstanding balance under the Agreement as of December 31, 2022.

There were no other events subsequent to the examination date and prior to the completion of field work which were considered material events requiring disclosure in this Report of Examination.

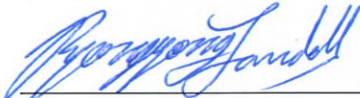
**AFFIDAVIT**

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Lewis & Ellis, Inc., performed an examination of Golden Rule Insurance Company, as of December 31, 2022.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

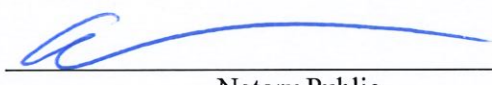
The attached Report of Examination is a true and complete report of the condition of the Golden Rule Insurance Company as of December 31, 2022, as determined by the undersigned.

  
\_\_\_\_\_  
Pyongyong Landoll, CFE  
Noble Consulting Services, Inc.

State of: Washington  
County of: Mason

On this 11 day of June, 2024, before me personally appeared, Pyongyong Landoll, to sign this document.

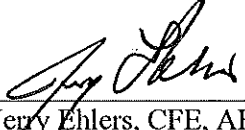
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: June 25, 2024   
\_\_\_\_\_  
Notary Public





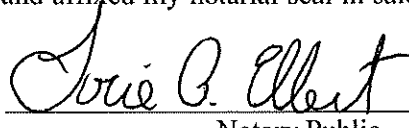
Under the Supervision of:

  
 \_\_\_\_\_  
 Jerry Ehlers, CFE, AES  
 Examinations Manager  
 Indiana Department of Insurance

State of: Indiana  
 County of: Marion

On this 13<sup>th</sup> day of June, 2024, before me personally appeared, Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: July 11, 2025   
 \_\_\_\_\_  
 Notary Public

