



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017  
OF THE CONDITION AND AFFAIRS OF THE

## Golden Rule Insurance Company

NAIC Group Code 0707 0707 NAIC Company Code 62286 Employer's ID Number 37-6028756  
(Current) (Prior)

Organized under the Laws of Indiana, State of Domicile or Port of Entry IN

Country of Domicile United States of America

Incorporated/Organized 06/17/1959 Commenced Business 06/23/1961

Statutory Home Office 7440 Woodland Drive, Indianapolis, IN, US 46278  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 7440 Woodland Drive  
(Street and Number)  
Indianapolis, IN, US 46278, 317-290-8100  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 7440 Woodland Drive, Indianapolis, IN, US 46278  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 7440 Woodland Drive  
(Street and Number)  
Indianapolis, IN, US 46278, 317-290-8100  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address goldenrule.com

Statutory Statement Contact Jeremy Michael Schoettle, 317-715-7918  
(Name) (Area Code) (Telephone Number)  
jschoettle@unitedhealthone.com, 317-298-0875  
(E-mail Address) (FAX Number)

### OFFICERS

President, Chief Executive Officer, Chair Patrick Francis Carr Treasurer Robert Worth Oberrender  
Vice President, Secretary Richard Charles Sullivan Vice President, Chief Financial Officer Jeremy Michael Schoettle

### OTHER

Nyle Brent Cottingham, Vice President Douglas Ford Crockett, Vice President, Chief Operating Officer John Frederick Frank #, Vice President  
James Mark Gabriel, Senior Vice President Joy Olilani Chieko Higa, Assistant Secretary Heather Anastasia Lang Jacobsen, Assistant Secretary  
James Elmer Prochnow, Vice President

### DIRECTORS OR TRUSTEES

Patrick Francis Carr Douglas Ford Crockett John Frederick Frank #  
James Mark Gabriel Richard Charles Sullivan

State of Indiana SS:  
County of Marion

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Patrick Francis Carr  
President, Chief Executive Officer, Chair

Richard Charles Sullivan  
Vice President, Secretary

Jeremy Michael Schoettle  
Vice President, Chief Financial Officer

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

- a. Is this an original filing? ..... Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number.....  
2. Date filed.....  
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	367,689,933		367,689,933	361,495,140
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	2,505,510		2,505,510	2,685,856
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....			0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....			0	0
5. Cash (\$ .....2,869,001 , Schedule E - Part 1), cash equivalents (\$ .....5,122,864 , Schedule E - Part 2) and short-term investments (\$ .....29,585,821 , Schedule DA) .....	37,577,686		37,577,686	25,122,589
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....	13,551,364		13,551,364	15,422,449
9. Receivables for securities .....	0		0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	421,324,493	0	421,324,493	404,726,034
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	3,029,905		3,029,905	3,391,027
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	11,082,034	4,439	11,077,595	10,992,312
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ .....1,485,282 ) .....	1,485,282		1,485,282	96,124
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	322,819		322,819	1,372,863
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....	528,173		528,173	561,551
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	32,001,619		32,001,619	34,917,380
18.2 Net deferred tax asset .....	12,677,835	834,515	11,843,320	13,723,637
19. Guaranty funds receivable or on deposit .....	5,131,314		5,131,314	2,373,912
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	5,225,379		5,225,379	47,513,063
24. Health care (\$ .....6,773,917 ) and other amounts receivable .....	9,000,214	2,226,297	6,773,917	8,450,591
25. Aggregate write-ins for other than invested assets .....	8,017,916	7,589,953	427,963	1,369,679
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	509,826,983	10,655,204	499,171,779	529,488,173
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	509,826,983	10,655,204	499,171,779	529,488,173
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. Advances and Prepaids .....	7,553,990	7,553,990	0	0
2502. State Taxes Receivable .....	427,963	0	427,963	1,369,679
2503. Miscellaneous Receivables .....	35,963	35,963	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	8,017,916	7,589,953	427,963	1,369,679

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ ..... 101,864 (Exh. 5, Line 999999) less \$ ..... included in Line 6.3 (including \$ ..... Modco Reserve) .....	101,864	61,259
2. Aggregate reserve for accident and health contracts (including \$ ..... 0 Modco Reserve) .....	63,150,534	68,649,789
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ ..... Modco Reserve) .....	0	0
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....	835,255	609,357
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) .....	149,409,578	160,862,888
5. Policyholders' dividends \$ ..... and coupons \$ ..... due and unpaid (Exhibit 4, Line 10) .....	0	0
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ ..... Modco) .....		
6.2 Dividends not yet apportioned (including \$ ..... Modco) .....		
6.3 Coupons and similar benefits (including \$ ..... Modco) .....		
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ ..... discount; including \$ ..... 12,484,255 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14) .....	12,497,022	19,129,214
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		
9.2 Provision for experience rating refunds, including the liability of \$ ..... 4,241,307 accident and health experience rating refunds of which \$ ..... 3,934,364 is for medical loss ratio rebate per the Public Health Service Act .....	4,241,307	6,416,094
9.3 Other amounts payable on reinsurance, including \$ ..... assumed and \$ ..... ceded .....	0	98,332
9.4 Interest maintenance reserve (IMR, Line 6) .....	6,000,926	8,119,642
10. Commissions to agents due or accrued-life and annuity contracts \$ ..... 73,837 accident and health \$ ..... 4,618,253 and deposit-type contract funds \$ ..... 0 .....	4,692,090	4,844,129
11. Commissions and expense allowances payable on reinsurance assumed .....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6) .....	3,787,993	3,683,410
13. Transfers to Separate Accounts due or accrued (net) (including \$ ..... accrued for expense allowances recognized in reserves, net of reinsured allowances) .....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) .....	22,608,256	48,890,684
15.1 Current federal and foreign income taxes, including \$ ..... 0 on realized capital gains (losses) .....	0	
15.2 Net deferred tax liability .....		
16. Unearned investment income .....		
17. Amounts withheld or retained by company as agent or trustee .....	43,660	104,934
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....		
19. Remittances and items not allocated .....	559,019	184,014
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		
21. Liability for benefits for employees and agents if not included above .....		
22. Borrowed money \$ ..... and interest thereon \$ ..... .....		
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7) .....	1,491,568	1,501,545
24.02 Reinsurance in unauthorized and certified (\$ ..... 0 ) companies .....	0	0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$ ..... ) reinsurers .....		
24.04 Payable to parent, subsidiaries and affiliates .....	0	0
24.05 Drafts outstanding .....	26,755,411	31,663,778
24.06 Liability for amounts held under uninsured plans .....		
24.07 Funds held under coinsurance .....		
24.08 Derivatives .....	0	0
24.09 Payable for securities .....	2,421,604	2,421,604
24.10 Payable for securities lending .....		
24.11 Capital notes \$ ..... and interest thereon \$ ..... .....		
25. Aggregate write-ins for liabilities .....	1,948,591	2,197,087
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	300,544,678	359,437,760
27. From Separate Accounts Statement .....		
28. Total liabilities (Lines 26 and 27) .....	300,544,678	359,437,760
29. Common capital stock .....	3,262,704	3,262,704
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....	0	0
32. Surplus notes .....	0	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) .....	14,162,016	14,162,016
34. Aggregate write-ins for special surplus funds .....	37,686,623	12,144,535
35. Unassigned funds (surplus) .....	143,515,758	140,481,158
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 29 \$ ..... ) .....		
36.2 ..... shares preferred (value included in Line 30 \$ ..... ) .....		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ ..... in Separate Accounts Statement) .....	195,364,397	166,787,709
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) .....	198,627,101	170,050,413
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....	499,171,779	529,488,173
<b>DETAILS OF WRITE-INS</b>		
2501. Accrued Cost of Claims Savings .....	273,036	368,762
2502. Association Group Escrow Account .....	661,697	868,547
2503. Miscellaneous Liabilities .....	938,690	749,827
2598. Summary of remaining write-ins for Line 25 from overflow page .....	75,168	209,951
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	1,948,591	2,197,087
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) .....	0	0
3401. Surplus Relief Related to Reinsurance .....	10,345,345	12,144,535
3402. Section 9010 ACA Subsequent Fee Year Assessment .....	27,341,278	0
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page .....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....	37,686,623	12,144,535

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**SUMMARY OF OPERATIONS**

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11) .....	1,338,103,418	1,354,232,427
2. Considerations for supplementary contracts with life contingencies .....	0	0
3. Net investment income (Exhibit of Net Investment Income, Line 17) .....	7,040,261	8,680,040
4. Amortization of Interest Maintenance Reserve (IMR, Line 5) .....	2,210,657	2,611,967
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1) .....	2,689,304	3,566,533
7. Reserve adjustments on reinsurance ceded .....	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts .....	0	0
8.2 Charges and fees for deposit-type contracts .....	0	0
8.3 Aggregate write-ins for miscellaneous income .....	458,890	323,212
9. Total (Lines 1 to 8.3) .....	1,350,502,530	1,369,414,179
10. Death benefits .....	1,055,818	653,766
11. Matured endowments (excluding guaranteed annual pure endowments) .....	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) .....	0	0
13. Disability benefits and benefits under accident and health contracts .....	958,777,381	966,991,711
14. Coupons, guaranteed annual pure endowments and similar benefits .....	0	0
15. Surrender benefits and withdrawals for life contracts .....	0	0
16. Group conversions .....	0	0
17. Interest and adjustments on contract or deposit-type contract funds .....	0	0
18. Payments on supplementary contracts with life contingencies .....	0	0
19. Increase in aggregate reserves for life and accident and health contracts .....	(2,768,067)	(7,275,920)
20. Totals (Lines 10 to 19) .....	957,065,132	960,369,557
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) .....	88,560,306	72,601,665
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) .....	0	0
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4) .....	157,174,313	135,215,443
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3) .....	23,925,321	96,896,866
25. Increase in loading on deferred and uncollected premiums .....	0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance .....	0	0
27. Aggregate write-ins for deductions .....	71,497	85,200
28. Totals (Lines 20 to 27) .....	1,226,796,569	1,265,168,731
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....	123,705,961	104,245,448
30. Dividends to policyholders .....	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) .....	123,705,961	104,245,448
32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....	41,080,662	39,090,502
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32) .....	82,625,299	65,154,946
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ .....2,735 (excluding taxes of \$ .....49,506 transferred to the IMR) .....	(2,735)	63,271
35. Net income (Line 33 plus Line 34) .....	82,622,564	65,218,217
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) .....	170,050,413	268,026,494
37. Net income (Line 35) .....	82,622,564	65,218,217
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	0	0
39. Change in net unrealized foreign exchange capital gain (loss) .....	0	0
40. Change in net deferred income tax .....	(8,338,292)	(101,121)
41. Change in nonadmitted assets .....	8,564,581	(5,089,913)
42. Change in liability for reinsurance in unauthorized and certified companies .....	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease .....	0	0
44. Change in asset valuation reserve .....	9,977	595,926
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1) .....	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period .....	0	0
47. Other changes in surplus in Separate Accounts Statement .....	0	0
48. Change in surplus notes .....	0	0
49. Cumulative effect of changes in accounting principles .....	7,517,048	0
50. Capital changes:		
50.1 Paid in .....	0	0
50.2 Transferred from surplus (Stock Dividend) .....	0	0
50.3 Transferred to surplus .....	0	0
51. Surplus adjustment:		
51.1 Paid in .....	0	0
51.2 Transferred to capital (Stock Dividend) .....	0	0
51.3 Transferred from capital .....	0	0
51.4 Change in surplus as a result of reinsurance .....	(1,799,190)	(1,799,190)
52. Dividends to stockholders .....	(60,000,000)	(156,800,000)
53. Aggregate write-ins for gains and losses in surplus .....	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53) .....	28,576,688	(97,976,081)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) .....	198,627,101	170,050,413
<b>DETAILS OF WRITE-INS</b>		
08.301. Policyholder Fees .....	109,683	125,400
08.302. Other Income .....	349,207	197,812
08.303. ....	0	0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above) .....	458,890	323,212
2701. Fines and Penalties .....	71,497	85,200
2702. ....	0	0
2703. ....	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above) .....	71,497	85,200
5301. ....	0	0
5302. ....	0	0
5303. ....	0	0
5398. Summary of remaining write-ins for Line 53 from overflow page .....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above) .....	0	0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	1,325,030,572	1,351,801,620
2. Net investment income .....	12,806,107	16,282,538
3. Miscellaneous income .....	458,890	323,212
4. Total (Lines 1 through 3) .....	1,338,295,569	1,368,407,370
5. Benefit and loss related payments .....	967,473,176	974,590,989
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	285,061,830	284,866,595
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....	40,232,621	55,563,030
10. Total (Lines 5 through 9) .....	1,292,767,627	1,315,020,614
11. Net cash from operations (Line 4 minus Line 10) .....	45,527,942	53,386,756
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	107,477,798	318,617,202
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	107,477,798	318,617,202
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	118,171,857	202,930,626
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	118,171,857	202,930,626
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(10,694,059)	115,686,576
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	60,000,000	156,800,000
16.6 Other cash provided (applied) .....	37,621,214	(14,559,181)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(22,378,786)	(171,359,181)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	12,455,097	(2,285,849)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	25,122,589	27,408,438
19.2 End of year (Line 18 plus Line 19.1) .....	37,577,686	25,122,589
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>		
20.0001. Cumulative effect of change in accounting principle .....	7,517,048	0

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company**  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	1,338,103,418	0	701,116	0	0	0	1,149,159	0	1,112,737,202	0	223,515,941	0
2. Considerations for supplementary contracts with life contingencies	0	0	0	0	0	0	0	0	0	0	0	0
3. Net investment income	7,040,261	0	3,518	0	0	0	5,766	0	5,855,426	0	1,175,551	0
4. Amortization of Interest Maintenance Reserve (IMR)	2,210,657	0	1,158	0	0	0	1,899	0	1,838,333	0	369,267	0
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0	0	0	0	0	0	0	0	0	0	0
6. Commissions and expense allowances on reinsurance ceded	2,689,304	0	1,915,604	773,700	0	0	0	0	0	0	0	0
7. Reserve adjustments on reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	0	0	0	0	0	0	0	0	0	0	0	0
8.2 Charges and fees for deposit-type contracts	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Aggregate write-ins for miscellaneous income	458,890	0	12	0	0	0	112	0	386,303	0	72,463	0
9. Totals (Lines 1 to 8.3)	1,350,502,530	0	2,621,408	773,700	0	0	1,156,936	0	1,120,817,264	0	225,133,222	0
10. Death benefits	1,055,818	0	513,778	0	0	0	542,040	0	0	0	0	0
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0	0	0	0	0	0	0	0	0	0	0
12. Annuity benefits	0	0	0	0	0	0	0	0	0	0	0	0
13. Disability benefits and benefits under accident and health contracts	958,777,381	0	0	0	0	0	0	0	826,908,923	0	131,868,458	0
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0	0	0	0	0	0	0	0	0	0	0
15. Surrender benefits and withdrawals for life contracts	0	0	0	0	0	0	0	0	0	0	0	0
16. Group conversions	0	0	0	0	0	0	0	0	0	0	0	0
17. Interest and adjustments on contract or deposit-type contract funds	0	0	0	0	0	0	0	0	0	0	0	0
18. Payments on supplementary contracts with life contingencies	0	0	0	0	0	0	0	0	0	0	0	0
19. Increase in aggregate reserves for life and accident and health contracts	(2,768,067)	0	47,922	0	0	0	(7,316)	0	(4,489,547)	0	1,680,874	0
20. Totals (Lines 10 to 19)	957,065,132	0	561,700	0	0	0	534,724	0	822,419,376	0	133,549,332	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	88,560,306	0	1,194,539	54,024	0	0	144,444	0	63,714,633	0	23,452,666	0
22. Commissions and expense allowances on reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0
23. General insurance expenses	157,174,313	0	87,156	0	0	0	125,509	0	130,096,662	0	26,864,986	0
24. Insurance taxes, licenses and fees, excluding federal income taxes	23,925,321	0	41,054	0	0	0	56,034	0	18,399,885	0	5,428,348	0
25. Increase in loading on deferred and uncollected premiums	0	0	0	0	0	0	0	0	0	0	0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
27. Aggregate write-ins for deductions	71,497	0	0	0	0	0	14,063	0	47,930	0	9,504	0
28. Totals (Lines 20 to 27)	1,226,796,569	0	1,884,449	54,024	0	0	874,774	0	1,034,678,486	0	189,304,836	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	123,705,961	0	736,959	719,676	0	0	282,162	0	86,138,778	0	35,828,386	0
30. Dividends to policyholders	0	0	0	0	0	0	0	0	0	0	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	123,705,961	0	736,959	719,676	0	0	282,162	0	86,138,778	0	35,828,386	0
32. Federal income taxes incurred (excluding tax on capital gains)	41,080,662	0	(317,874)	(14,584)	0	0	76,685	0	30,431,093	0	10,905,342	0
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	82,625,299	0	1,054,833	734,260	0	0	205,477	0	55,707,685	0	24,923,044	0
<b>DETAILS OF WRITE-INS</b>												
08.301. Policyholder Fees	109,683	0	12	0	0	0	112	0	92,334	0	17,225	0
08.302. Other Income	349,207	0	0	0	0	0	0	0	293,969	0	55,238	0
08.303.	0	0	0	0	0	0	0	0	0	0	0	0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	458,890	0	12	0	0	0	112	0	386,303	0	72,463	0
2701. Fines and Penalties	71,497	0	0	0	0	0	14,063	0	47,930	0	9,504	0
2702.	0	0	0	0	0	0	0	0	0	0	0	0
2703.	0	0	0	0	0	0	0	0	0	0	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	71,497	0	0	0	0	0	14,063	0	47,930	0	9,504	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 \_\_\_\_\_, Line 10 \_\_\_\_\_, Line 16 \_\_\_\_\_, Line 23 \_\_\_\_\_, Line 24 \_\_\_\_\_

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company  
**ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year .....	61,259	0	12,200	0	0	0	49,059	0
2. Tabular net premiums or considerations .....	3,839,037		691,467				3,147,570	
3. Present value of disability claims incurred .....	0				XXX			
4. Tabular interest .....	61,029		12,704				48,326	
5. Tabular less actual reserve released .....	0							
6. Increase in reserve on account of change in valuation basis .....	0							
6.1 Change in excess of VM-20 deterministic/stochastic reserve over net premium reserve .....	0	XXX		XXX	XXX	XXX	XXX	XXX
7. Other increases (net) .....	0							
8. Totals (Lines 1 to 7) .....	3,961,326	0	716,371	0	0	0	3,244,955	0
9. Tabular cost .....	3,841,648		638,436		XXX		3,203,212	
10. Reserves released by death .....	0			XXX	XXX			XXX
11. Reserves released by other terminations (net) .....	17,813		17,813					
12. Annuity, supplementary contract and disability payments involving life contingencies .....	0							
13. Net transfers to or (from) Separate Accounts .....	0							
14. Total Deductions (Lines 9 to 13) .....	3,859,461	0	656,249	0	0	0	3,203,212	0
15. Reserve December 31, current year .....	101,864	0	60,121	0	0	0	41,743	0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds .....	(a) 644,022	643,052
1.1 Bonds exempt from U.S. tax .....	(a) .....	.....
1.2 Other bonds (unaffiliated) .....	(a) 7,253,374	6,886,683
1.3 Bonds of affiliates .....	(a) .....	.....
2.1 Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11 Preferred stocks of affiliates .....	(b) .....	.....
2.2 Common stocks (unaffiliated) .....	.....	.....
2.21 Common stocks of affiliates .....	.....	.....
3. Mortgage loans .....	(c) .....	.....
4. Real estate .....	(d) 1,349,978	1,349,978
5. Contract loans .....	.....	.....
6. Cash, cash equivalents and short-term investments .....	(e) 1,049,230	1,055,769
7. Derivative instruments .....	(f) .....	.....
8. Other invested assets .....	(1,864,788)	(1,864,788)
9. Aggregate write-ins for investment income .....	0	0
10. Total gross investment income .....	8,431,816	8,070,694
11. Investment expenses .....	(g) 781,978	781,978
12. Investment taxes, licenses and fees, excluding federal income taxes .....	(g) 0	0
13. Interest expense .....	(h) 68,109	68,109
14. Depreciation on real estate and other invested assets .....	(i) 180,346	180,346
15. Aggregate write-ins for deductions from investment income .....	0	0
16. Total deductions (Lines 11 through 15) .....	1,030,433	1,030,433
17. Net investment income (Line 10 minus Line 16) .....	7,040,261	7,040,261
<b>DETAILS OF WRITE-INS</b>		
0901. ....		
0902. ....		
0903. ....		
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	0	0
1501. ....		
1502. ....		
1503. ....		
1598. Summary of remaining write-ins for Line 15 from overflow page .....	0	0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	0	0

- (a) Includes \$ 75,009 accrual of discount less \$ 4,715,721 amortization of premium and less \$ 288,190 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 44,665 accrual of discount less \$ 135,350 amortization of premium and less \$ 64,176 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ 180,346 depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....	2,161	0	2,161	0	0
1.1 Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2 Other bonds (unaffiliated) .....	139,286	0	139,286	0	0
1.3 Bonds of affiliates .....	0	0	0	0	0
2.1 Preferred stocks (unaffiliated) .....	0	0	0	0	0
2.11 Preferred stocks of affiliates .....	0	0	0	0	0
2.2 Common stocks (unaffiliated) .....	0	0	0	0	0
2.21 Common stocks of affiliates .....	0	0	0	0	0
3. Mortgage loans .....	0	0	0	0	0
4. Real estate .....	0	0	0	0	0
5. Contract loans .....	0	0	0	0	0
6. Cash, cash equivalents and short-term investments .....	0	0	0	0	0
7. Derivative instruments .....	0	0	0	0	0
8. Other invested assets .....	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10. Total capital gains (losses) .....	141,447	0	141,447	0	0
<b>DETAILS OF WRITE-INS</b>					
0901. ....					
0902. ....					
0903. ....					
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**EXHIBIT - 1 PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
<b>FIRST YEAR (other than single)</b>											
1. Uncollected	2,239,498		9,582	0		0		1,032,565		1,197,351	
2. Deferred and accrued	(208,536)		0	0		0		0		(208,536)	
3. Deferred, accrued and uncollected:											
3.1 Direct	2,030,962		9,582	0		0		1,032,565		988,815	
3.2 Reinsurance assumed	0		0	0		0		0		0	
3.3 Reinsurance ceded	0		0	0		0		0		0	
3.4 Net (Line 1 + Line 2)	2,030,962	0	9,582	0	0	0		1,032,565	0	988,815	0
4. Advance	2,499,360		2,133	0		0		1,628,405		868,822	
5. Line 3.4 - Line 4	(468,398)	0	7,449	0	0	0		(595,840)	0	119,993	0
6. Collected during year:											
6.1 Direct	338,900,120		609,938	0		985		235,976,929		102,312,268	
6.2 Reinsurance assumed	0		0	0		0		0		0	
6.3 Reinsurance ceded	(321)		(321)	0		0		0		0	
6.4 Net	338,900,441	0	610,259	0	0	985		235,976,929	0	102,312,268	0
7. Line 5 + Line 6.4	338,432,043	0	617,708	0	0	985		235,381,089	0	102,432,261	0
8. Prior year (uncollected + deferred and accrued - advance)	(10,118,962)	0	2,924	0	0	0		(4,995,905)	0	(5,125,981)	0
9. First year premiums and considerations:											
9.1 Direct	348,550,686		614,463	0		985		240,376,995		107,558,243	
9.2 Reinsurance assumed	0		0	0		0		0		0	
9.3 Reinsurance ceded	(321)		(321)	0		0		0		0	
9.4 Net (Line 7 - Line 8)	348,551,007	0	614,784	0	0	985		240,376,995	0	107,558,243	0
<b>SINGLE</b>											
10. Single premiums and considerations:											
10.1 Direct	816,760		35,911	780,849							
10.2 Reinsurance assumed	0		0	0							
10.3 Reinsurance ceded	816,760		35,911	780,849							
10.4 Net	0	0	0	0	0	0		0	0	0	0
<b>RENEWAL</b>											
11. Uncollected	8,842,536		3,419	0		7,035		7,899,560		932,522	
12. Deferred and accrued	(4,421,597)		0	0		0		(9,490,098)		5,068,501	
13. Deferred, accrued and uncollected:											
13.1 Direct	4,420,939		3,419	0		7,035		(1,590,538)		6,001,023	
13.2 Reinsurance assumed	0		0	0		0		0		0	
13.3 Reinsurance ceded	0		0	0		0		0		0	
13.4 Net (Line 11 + Line 12)	4,420,939	0	3,419	0	0	7,035		(1,590,538)	0	6,001,023	0
14. Advance	9,997,663		1,016	0		9,619		8,620,857		1,366,171	
15. Line 13.4 - Line 14	(5,576,724)	0	2,403	0	0	(2,584)		(10,211,395)	0	4,634,852	0
16. Collected during year:											
16.1 Direct	1,013,938,277		26,526,825	1,267,378		1,148,931		873,095,974		111,899,169	
16.2 Reinsurance assumed	0		0	0		0		0		0	
16.3 Reinsurance ceded	27,709,815		26,442,437	1,267,378		0		0		0	
16.4 Net	986,228,462	0	84,388	0	0	1,148,931		873,095,974	0	111,899,169	0
17. Line 15 + Line 16.4	980,651,738	0	86,791	0	0	1,146,347		862,884,579	0	116,534,021	0
18. Prior year (uncollected + deferred and accrued - advance)	(8,900,672)	0	459	0	0	(1,826)		(9,475,628)	0	576,323	0
19. Renewal premiums and considerations:											
19.1 Direct	1,017,262,226		26,528,769	1,267,378		1,148,174		872,360,207		115,957,698	
19.2 Reinsurance assumed	0		0	0		0		0		0	
19.3 Reinsurance ceded	27,709,815		26,442,437	1,267,378		0		0		0	
19.4 Net (Line 17 - Line 18)	989,552,411	0	86,332	0	0	1,148,174		872,360,207	0	115,957,698	0
<b>TOTAL</b>											
20. Total premiums and annuity considerations:											
20.1 Direct	1,366,629,672	0	27,179,143	2,048,227	0	1,149,159	0	1,112,737,202	0	223,515,941	0
20.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
20.3 Reinsurance ceded	28,526,254	0	26,478,027	2,048,227	0	0	0	0	0	0	0
20.4 Net (Lines 9.4 + 10.4 + 19.4)	1,338,103,418	0	701,116	0	0	1,149,159	0	1,112,737,202	0	223,515,941	0

**EXHIBIT - 1 PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)**

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21. To pay renewal premiums .....	0										
22. All other .....	0										
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23. First year (other than single):											
23.1 Reinsurance ceded .....	0										
23.2 Reinsurance assumed .....	0										
23.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded .....	0										
24.2 Reinsurance assumed .....	0										
24.3 Net ceded less assumed .....	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded .....	2,689,304		1,915,604	773,700							
25.2 Reinsurance assumed .....	0										
25.3 Net ceded less assumed .....	2,689,304	0	1,915,604	773,700	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6) .....	2,689,304	0	1,915,604	773,700	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 22) .....	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed .....	2,689,304	0	1,915,604	773,700	0	0	0	0	0	0	0
<b>COMMISSIONS INCURRED (direct business only)</b>											
27. First year (other than single) .....	71,316,970		354,435					51,657,021		19,305,514	
28. Single .....	0										
29. Renewal .....	17,243,336		840,104	54,024		144,444		12,057,612		4,147,152	
30. Deposit-type contract funds .....	0										
31. Totals (to agree with Page 6, Line 21)	88,560,306	0	1,194,539	54,024	0	144,444	0	63,714,633	0	23,452,666	0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**EXHIBIT 2 - GENERAL EXPENSES**

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		Cost	Containment			
1. Rent	5,528	436,397	4,719,862			5,161,787
2. Salaries and wages	93,661	7,394,300	66,219,178			73,707,139
3.11 Contributions for benefit plans for employees	16,363	1,291,839	11,568,984			12,877,186
3.12 Contributions for benefit plans for agents						0
3.21 Payments to employees under non-funded benefit plans	515	40,693	364,423			405,631
3.22 Payments to agents under non-funded benefit plans						0
3.31 Other employee welfare	338	26,679	238,920			265,937
3.32 Other agent welfare						0
4.1 Legal fees and expenses	1,112	87,828	786,536			875,476
4.2 Medical examination fees	6	442	3,961			4,409
4.3 Inspection report fees	0	13	112			125
4.4 Fees of public accountants and consulting actuaries	469	37,064	331,922			369,455
4.5 Expense of investigation and settlement of policy claims	805	63,549	332,374			396,728
5.1 Traveling expenses	3,239	255,718	2,290,064			2,549,021
5.2 Advertising	7,171	566,160	5,070,207			5,643,538
5.3 Postage, express, telegraph and telephone	6,385	504,117	4,514,589			5,025,091
5.4 Printing and stationery	1,867	147,368	1,319,747			1,468,982
5.5 Cost or depreciation of furniture and equipment	1,348	106,437	953,193			1,060,978
5.6 Rental of equipment	246	19,434	174,043			193,723
5.7 Cost or depreciation of EDP equipment and software	12,529	989,120	8,857,999			9,859,648
6.1 Books and periodicals	97	7,634	68,369			76,100
6.2 Bureau and association fees	183	14,470	129,582			144,235
6.3 Insurance, except on real estate	1,567	123,692	1,107,716			1,232,975
6.4 Miscellaneous losses			370,187			370,187
6.5 Collection and bank service charges	654	51,639	3,676,364			3,728,657
6.6 Sundry general expenses	7,170	566,048	5,111,602			5,684,820
6.7 Group service and administration fees	11,171		(2,148,342)			(2,137,171)
6.8 Reimbursements by uninsured plans						0
7.1 Agency expense allowance						0
7.2 Agents' balances charged off (less \$ recovered)						0
7.3 Agency conferences other than local meetings						0
9.1 Real estate expenses					538,238	538,238
9.2 Investment expenses not included elsewhere					243,740	243,740
9.3 Aggregate write-ins for expenses	40,241	6,045,413	22,124,003	0	0	28,209,657
10. General expenses incurred	212,665	18,776,054	138,185,595	0	781,978	(a) 157,956,292
11. General expenses unpaid December 31, prior year		512,329	3,097,023		74,058	3,683,410
12. General expenses unpaid December 31, current year		269,747	3,449,738		68,508	3,787,993
13. Amounts receivable relating to uninsured plans, prior year						0
14. Amounts receivable relating to uninsured plans, current year						0
15. General expenses paid during year (Lines 10+11-12-13+14)	212,665	19,018,636	137,832,880	0	787,528	157,851,709
<b>DETAILS OF WRITE-INS</b>						
09.301. Information Technology	1,312	103,557	927,402			1,032,271
09.302. Interest	12,654		2,683,496			2,696,150
09.303. Managed Care & Network Access	2,386	4,055,842	1,623,028			5,681,256
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	23,889	1,886,014	16,890,077	0	0	18,799,980
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	40,241	6,045,413	22,124,003	0	0	28,209,657

(a) Includes management fees of \$ 143,195,931 to affiliates and \$ 0 to non-affiliates.

**EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)**

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes	373	271,700			272,073
2. State insurance department licenses and fees	50,397	(4,261,793)			(4,211,396)
3. State taxes on premiums	39,333	20,523,136			20,562,469
4. Other state taxes, including \$ for employee benefits		2,204,375			2,204,375
5. U.S. Social Security taxes	6,985	5,090,791			5,097,776
6. All other taxes		24			24
7. Taxes, licenses and fees incurred	97,088	23,828,233	0	0	23,925,321
8. Taxes, licenses and fees unpaid December 31, prior year		48,890,684			48,890,684
9. Taxes, licenses and fees unpaid December 31, current year		22,608,256			22,608,256
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	97,088	50,110,661	0	0	50,207,749

**EXHIBIT 4 - DIVIDENDS OR REFUNDS**

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4		
6. Paid in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. Total Lines 5 through 8		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 through 14		
16. Total from prior year		
17. Total dividends or refunds (Lines 9 + 15 - 16)		
<b>DETAILS OF WRITE-INS</b>		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)		

**NONE**

**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0100001. A/E CRAIG 3% IS	1,065		1,065		0
0100002. A/E CRAIG 3 1/2% NL	938		938		0
0100003. 41 CSO 2 1/2 % NL	4,096		4,096		0
0100004. 41 CSO 3% NL	0		0		0
0100005. 41 CSO 3% CRVM	117,229		117,229		0
0100006. 41 CSO 3 1/2 % CRVM	5,243		5,243		0
0100007. 58 CSO ALB 3% NL	950		950		0
0100008. 58 CSO ALB 3% CRVM	1,901,589		1,901,589		0
0100009. 58 CSO ANB 3% NL	0		0		0
0100010. 58 CSO ANB 3 1/2% CRVM	56,785		56,785		0
0100011. 58 CSO ALB 3 1/2% CRVM	112,965		112,965		0
0100012. 58 CSO ALB 4 1/2% CRVM	18,129,541		18,129,541		0
0100013. 58 CSO ALB 4 1/2% NL	2,143		2,143		0
0100014. 58 CET ALB 3% NL	344,403		344,403		0
0100015. 58 CET ANB 3 1/2% NL	30,769		30,769		0
0100016. 58 CET ALB 4 1/2% NL	19,994		19,994		0
0100017. 80 CSO CRVM 4.50%	994,064,424		994,064,424		0
0100018. 80 CSO 4 1/2% CRVM	0		0		0
0100019. 80 CSO CRVM 5.00%	2,935,693		2,935,693		0
0100020. 80 CSO CRVM 5.50%	23,319,025		23,319,025		0
0100021. 130% 41 CSO 3% NL	0		0		0
0100022. 130% 41 CSO 3 1/2% NL	0		0		0
0100023. AM MEN 3% NL	0		0		0
0100024. UNEARNED PREMIUM RESERVE	177,258		135,515		41,743
0100025. 58 CSO ANB 3 1/2% LOSS ON INT	0		0		0
0100026. GROUP CONVERSIONS	0		0		0
0100027. 58 CSO SUBSTANDARD LIFE	0		0		0
0100028. 60 CSG 3% NL	0		0		0
0100029. 58 CSO ALB 3% NL GIO	0		0		0
0100030. 80 CSO CRVM 4.00%	187,845,538		187,845,538		0
0100031. 2001 CSO ALB	29,993		29,993		0
0199997. Totals (Gross)	1,229,099,641	0	1,229,057,898	0	41,743
0199998. Reinsurance ceded	1,228,997,777		1,228,997,777		0
0199999. Life Insurance: Totals (Net)	101,864	0	60,121	0	41,743
0200001. 37 STANDARD ANNUITY	0	XXX	0	XXX	0
0200002. 51 GA 3 1/2% PROJ SCALE C	0	XXX	0	XXX	0
0200003. 71 GAM 6%	71,665	XXX	0	XXX	71,665
0200004. 71 IAM 3 1/2%	0	XXX	0	XXX	0
0200005. 71 IAM 4.50%	14,921,378	XXX	14,921,378	XXX	0
0200006. 71 IAM 4.75%	10,501,298	XXX	10,501,298	XXX	0
0200007. 71 IAM 5.00%	7,345,224	XXX	7,345,224	XXX	0
0200008. 71 IAM 5.25%	14,018,585	XXX	14,018,585	XXX	0
0200009. 71 IAM 5.50%	26,547,098	XXX	26,547,098	XXX	0
0200010. 71 IAM 5.75%	15,710,493	XXX	15,710,493	XXX	0
0200011. 71 IAM 6.00%	11,242,154	XXX	11,242,154	XXX	0
0200012. 71 IAM 6.25%	23,604,070	XXX	23,604,070	XXX	0
0200013. 71 IAM 6.50%	6,170,665	XXX	6,170,665	XXX	0
0200014. 71 IAM 6.75%	29,489,381	XXX	29,489,381	XXX	0
0200015. 71 IAM 7.00%	7,681,159	XXX	7,681,159	XXX	0
0200016. 71 IAM 7.25%	5,670,723	XXX	5,670,723	XXX	0
0200017. 71 IAM 8.00%	4,618,562	XXX	4,618,562	XXX	0
0200018. 71 IAM 8.50%	10,873,892	XXX	10,873,892	XXX	0
0200019. 83 IAM 5.25%	7,565,677	XXX	7,565,677	XXX	0
0200020. 83 IAM 5.50%	4,654,697	XXX	4,654,697	XXX	0
0200021. 83 IAM 5.75%	9,639,833	XXX	9,639,833	XXX	0
0200022. 83 IAM 6.00%	2,080,609	XXX	2,080,609	XXX	0
0200023. 83 IAM 6.25%	777,108	XXX	777,108	XXX	0
0200024. A2000 4.50%	63,250,469	XXX	63,250,469	XXX	0
0200025. A2000 4.75%	90,682,869	XXX	90,682,869	XXX	0
0200026. A2000 5.00%	28,468,416	XXX	28,468,416	XXX	0
0200027. A2000 5.50%	23,273,084	XXX	23,273,084	XXX	0
0200028. UNEARNED PREMIUM RESERVE	0	XXX	0	XXX	0
0299997. Totals (Gross)	418,859,109	XXX	418,787,444	XXX	71,665
0299998. Reinsurance ceded	418,859,109	XXX	418,787,444	XXX	71,665
0299999. Annuities: Totals (Net)	0	XXX	0	XXX	0
0300001. 83 IAM 8.25%	0		0		0
0300002. 83 IAM 8.00%	0		0		0
0300003. 83 IAM 7.75%	0		0		0
0300004. 83 IAM 7.25%	0		0		0
0300005. 83 IAM 7.00%	291,204		291,204		0
0300006. 83 IAM 6.75%	478,104		478,104		0
0300007. 83 IAM 6.50%	120,169		120,169		0
0300008. 83 IAM 6.25%	86,311		86,311		0
0300009. 83 IAM 6.00%	33,310		33,310		0
0300010. 83 IAM 5.50%	210,825		210,825		0
0300011. 83 IAM 5.25%	198,030		198,030		0
0399997. Totals (Gross)	1,417,953	0	1,417,953	0	0
0399998. Reinsurance ceded	1,417,953		1,417,953		0
0399999. SCWLC: Totals (Net)	0	0	0	0	0
0400001. 59 ADB WITH 58 CSO 3%	414,320		414,320		0
0400002. 52 DB WITH 80 CSO 4 1/2%	0		0		0
0499997. Totals (Gross)	414,320	0	414,320	0	0
0499998. Reinsurance ceded	414,320		414,320		0
0499999. Accidental Death Benefits: Totals (Net)	0	0	0	0	0
0500001. 52 DB WITH 58 CSO 3%	1,305		1,305		0
0500002. 52 DB WITH 80 CSO 4 1/2%	629,669		629,669		0
0599997. Totals (Gross)	630,974	0	630,974	0	0
0599998. Reinsurance ceded	630,974		630,974		0
0599999. Disability-Active Lives: Totals (Net)	0	0	0	0	0
0600001. 52 DB WITH 58 CSO 3%	256,408		256,408		0
0600002. UNREPORTED CLAIMS	0		0		0

**EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS**

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0600003. 52 DB w/80CSO 4.50% .....	19,081,164		19,081,164		
0699997. Totals (Gross)	19,337,572	0	19,337,572	0	0
0699998. Reinsurance ceded	19,337,572		19,337,572		
0699999. Disability-Disabled Lives: Totals (Net)	0	0	0	0	0
0700001. Deficiency .....	1,957,138		1,957,138		
0700002. NDFP .....	0		0		
0700003. IPC .....	0		0		
0799997. Totals (Gross)	1,957,138	0	1,957,138	0	0
0799998. Reinsurance ceded	1,957,138		1,957,138		
0799999. Miscellaneous Reserves: Totals (Net)	0	0	0	0	0
9999999. Totals (Net) - Page 3, Line 1	101,864	0	60,121	0	41,743

**EXHIBIT 5 - INTERROGATORIES**

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [ X ] No [ ]
- 1.2 If not, state which kind is issued. ....
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts?..... Yes [ ] No [ X ]
- 2.2 If not, state which kind is issued. ....
- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?..... Yes [ X ] No [ ]  
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? ..... Yes [ ] No [ X ]  
If so, state:  
4.1 Amount of insurance? ..... \$ .....  
4.2 Amount of reserve? ..... \$ .....  
4.3 Basis of reserve: .....  
4.4 Basis of regular assessments: .....  
4.5 Basis of special assessments: .....  
4.6 Assessments collected during the year ..... \$ .....
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts. ....
- 6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? ..... Yes [ ] No [ X ]  
6.1 If so, state the amount of reserve on such contracts on the basis actually held: ..... \$ .....  
6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: ..... \$ .....  
Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? ..... Yes [ ] No [ X ]  
7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements ..... \$ .....  
7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount: .....  
7.3 State the amount of reserves established for this business: ..... \$ .....  
7.4 Identify where the reserves are reported in the blank: .....
- 8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year? ..... Yes [ ] No [ X ]  
8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements: ..... \$ .....  
8.2 State the amount of reserves established for this business: ..... \$ .....  
8.3 Identify where the reserves are reported in the blank: .....
- 9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? ..... Yes [ ] No [ X ]  
9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders: ..... \$ .....  
9.2 State the amount of reserves established for this business: ..... \$ .....  
9.3 Identify where the reserves are reported in the blank: .....

**EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR**

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
<b>NONE</b>			
9999999 - Total (Column 4, only)			

**EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS**

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
<b>ACTIVE LIFE RESERVE</b>									
1. Unearned premium reserves .....	49,907,546	40,395,719	0	12	0	2,792,145	0	165,590	6,554,080
2. Additional contract reserves (a) .....	9,650,223	115,407	0	0	694,701	8,343,661	0	0	496,454
3. Additional actuarial reserves-Asset/Liability analysis .....	0								
4. Reserve for future contingent benefits .....	0								
5. Reserve for rate credits .....	0								
6. Aggregate write-ins for reserves .....	1,595,485	0	0	0	0	1,595,485	0	0	0
7. Totals (Gross) .....	61,153,254	40,511,126	0	12	694,701	12,731,291	0	165,590	7,050,534
8. Reinsurance ceded .....	694,701	0	0	0	694,701	0	0	0	0
9. Totals (Net) .....	60,458,553	40,511,126	0	12	0	12,731,291	0	165,590	7,050,534
<b>CLAIM RESERVE</b>									
10. Present value of amounts not yet due on claims .....	0								
11. Additional actuarial reserves-Asset/Liability analysis .....	0								
12. Reserve for future contingent benefits .....	2,691,983	2,389,836	0	0	0	25,870	0	222	276,055
13. Aggregate write-ins for reserves .....	0	0	0	0	0	0	0	0	0
14. Totals (Gross) .....	2,691,983	2,389,836	0	0	0	25,870	0	222	276,055
15. Reinsurance ceded .....	0								
16. Totals (Net) .....	2,691,983	2,389,836	0	0	0	25,870	0	222	276,055
17. TOTAL (Net) .....	63,150,536	42,900,962	0	12	0	12,757,161	0	165,812	7,326,589
18. TABULAR FUND INTEREST .....	415,393					400,270			15,123
<b>DETAILS OF WRITE-INS</b>									
0601. Risk Adjustment Payable .....	1,595,485					1,595,485			
0602. ....									
0603. ....									
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0	0	0	0
0699. TOTALS (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	1,595,485	0	0	0	0	1,595,485	0	0	0
1301. ....									
1302. ....									
1303. ....									
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0
1399. TOTALS (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**EXHIBIT 7 - DEPOSIT TYPE CONTRACTS**

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance .....	2,368,690	0	46,043	145,461	2,177,186	0
2. Deposits received during the year .....	81,938				81,938	
3. Investment earnings credited to the account .....	34,371		(14,792)	6,511	42,652	
4. Other net change in reserves .....	0					
5. Fees and other charges assessed .....	0					
6. Surrender charges .....	225,516		6,645	47,757	171,114	
7. Net surrender or withdrawal payments .....	0					
8. Other net transfers to or (from) Separate Accounts .....	0					
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) .....	2,259,483	0	24,606	104,215	2,130,662	0
10. Reinsurance balance at the beginning of the year .....	(2,368,690)	0	(46,043)	(145,461)	(2,177,186)	0
11. Net change in reinsurance assumed .....	0					
12. Net change in reinsurance ceded .....	(109,207)		(21,437)	(41,246)	(46,524)	
13. Reinsurance balance at the end of the year (Lines 10+11-12) .....	(2,259,483)	0	(24,606)	(104,215)	(2,130,662)	0
14. Net balance at the end of current year after reinsurance (Lines 9 + 13) .....	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

**PART 1 - Liability End of Current Year**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct	0										
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	0										
1.4 Net	0	0	0	0	0	0	0	0	0	0	0
2. In course of settlement:											
2.1 Resisted											
2.11 Direct	0										
2.12 Reinsurance assumed	0										
2.13 Reinsurance ceded	0										
2.14 Net	0	0	(b) 0	(b) 0	0	(b) 0	(b) 0	0	0	0	0
2.2 Other											
2.21 Direct	37,464,530		7,532,614				50,000		25,708,927		4,172,989
2.22 Reinsurance assumed	0										
2.23 Reinsurance ceded	7,532,614		7,532,614				0		0		0
2.24 Net	29,931,916	0	(b) 0	(b) 0	0	(b) 0	(b) 50,000	0	(b) 25,708,927	(b) 0	(b) 4,172,989
3. Incurred but unreported:											
3.1 Direct	121,612,648		1,619,428				465,557		102,835,708		16,691,955
3.2 Reinsurance assumed	0										
3.3 Reinsurance ceded	1,299,730		1,299,730				0		0		0
3.4 Net	120,312,918	0	(b) 319,698	(b) 0	0	(b) 0	(b) 465,557	0	(b) 102,835,708	(b) 0	(b) 16,691,955
4. TOTALS											
4.1 Direct	159,077,178	0	9,152,042	0	0	0	515,557	0	128,544,635	0	20,864,944
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	8,832,344	0	8,832,344	0	0	0	0	0	0	0	0
4.4 Net	150,244,834	(a) 0	(a) 319,698	0	0	0	(a) 515,557	0	128,544,635	0	20,864,944

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$ \_\_\_\_\_ in Column 2, \$ \_\_\_\_\_ in Column 3 and \$ \_\_\_\_\_ in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$ \_\_\_\_\_, Individual Annuities \$ \_\_\_\_\_, Credit Life (Group and Individual) \$ \_\_\_\_\_, and Group Life \$ \_\_\_\_\_, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$ \_\_\_\_\_, Credit (Group and Individual) Accident and Health \$ \_\_\_\_\_, and Other Accident and Health \$ \_\_\_\_\_, 302,147 are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

**PART 2 - Incurred During the Year**

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements During the Year:											
1.1 Direct	1,069,014,645	0	70,282,053	27,040,388	0	0	569,420	0	839,619,970	0	131,502,814
1.2 Reinsurance assumed	0										
1.3 Reinsurance ceded	99,004,079	0	70,021,553	27,040,388	0	0	0	0	0	0	1,942,138
1.4 Net	(d) 970,010,566	0	260,500	0	0	0	569,420	0	839,619,970	0	129,560,676
2. Liability December 31, current year from Part 1:											
2.1 Direct	159,077,178	0	9,152,042	0	0	0	515,557	0	128,544,635	0	20,864,944
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	8,832,344	0	8,832,344	0	0	0	0	0	0	0	0
2.4 Net	150,244,834	0	319,698	0	0	0	515,557	0	128,544,635	0	20,864,944
3. Amounts recoverable from reinsurers December 31, current year	322,819										322,819
4. Liability December 31, prior year:											
4.1 Direct	168,384,766	0	6,928,447	0	0	0	542,937	0	141,255,682	0	19,657,701
4.2 Reinsurance assumed	0										
4.3 Reinsurance ceded	6,912,521	0	6,862,026	0	0	0	0	0	0	0	50,495
4.4 Net	161,472,245	0	66,421	0	0	0	542,937	0	141,255,682	0	19,607,206
5. Amounts recoverable from reinsurers December 31, prior year	1,372,863		0	0	0	0	0	0	0	0	1,372,863
6. Incurred Benefits											
6.1 Direct	1,059,707,057	0	72,505,648	27,040,388	0	0	542,040	0	826,908,923	0	132,710,057
6.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded	99,873,858	0	71,991,871	27,040,388	0	0	0	0	0	0	841,599
6.4 Net	959,833,199	0	513,777	0	0	0	542,040	0	826,908,923	0	131,868,458

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
 \$ ..... in Line 6.1, and \$ ..... in Line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
 \$ ..... in Line 6.1, and \$ ..... in Line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$ ..... in Line 1.1, \$ ..... in Line 1.4.  
 \$ ..... in Line 6.1, and \$ ..... in Line 6.4.

(d) Includes \$ ..... premiums waived under total and permanent disability benefits.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	4,439	1,928	(2,511)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	834,515	7,292,490	6,457,975
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....	2,226,297	2,993,196	766,899
25. Aggregate write-ins for other than invested assets.....	7,589,953	8,932,171	1,342,218
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	10,655,204	19,219,785	8,564,581
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. Total (Lines 26 and 27).....	10,655,204	19,219,785	8,564,581
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above).....	0	0	0
2501. Advances & Prepaids.....	7,553,990	8,915,033	1,361,043
2502. Miscellaneous Receivables.....	35,963	17,137	(18,825)
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above).....	7,589,953	8,932,171	1,342,218

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN****Organization and Operation**

Golden Rule Insurance Company (the "Company"), licensed as a life, accident, and health insurer, is domiciled in the State of Indiana. The Company is a wholly owned subsidiary of Golden Rule Financial Corporation (GRFC) and its ultimate parent company is UnitedHealth Group Incorporated ("UnitedHealth Group"). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on June 17, 1959 as a life, accident, and health insurer, and operations commenced on June 23, 1961. The Company is licensed to sell life and accident and health insurance in all states except New York. The Company's accident and health revenues are primarily derived from the sale of individual major medical policies and short-term medical policies. The Company's life and annuity revenues are primarily derived from term life, whole life, single premium and flexible premium annuities, and long-term care investment products. Effective October 1, 2005, the Company entered into an indemnity reinsurance agreement to reinsure all life and annuity business, excluding group life and term life rider business.

**A. Accounting Practices**

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed and permitted by the State of Indiana Department of Insurance (the "Department").

The Department recognizes only statutory accounting practices, prescribed and permitted by the State of Indiana, for determining and reporting the financial condition and results of operations of a life, accident, and health insurer, for determining its solvency under Indiana Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") in effect for the accounting periods covered in the statutory basis financial statements.

No significant differences exist between the practices prescribed and permitted by the State of Indiana and those prescribed and permitted by the NAIC SAP, which materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

	SSAP #	F/S Page #	F/S Line #	2017	2016
<b>Net Income</b>					
(1) Company state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	<u>\$ 82,622,564</u>	<u>\$ 65,218,217</u>
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP: NONE				-	-
(3) State permitted practices that are an increase/(decrease) from NAIC SAP: NONE				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 82,622,564</u>	<u>\$ 65,218,217</u>
<b>Capital and Surplus</b>					
(5) Company state basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	<u>\$ 198,627,101</u>	<u>\$ 170,050,413</u>
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP: NONE				-	-
(7) State permitted practices that are an increase/(decrease) from NAIC SAP: NONE				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 198,627,101</u>	<u>\$ 170,050,413</u>

**B. Use of Estimates in the Preparation of the Statutory Basis Financial Statements**

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to aggregate reserve for life contracts, aggregate reserve for accident and health contracts, contract claims – life, contract claims - accident and health, disability benefits and benefits under accident and health insurance contracts – net, provision for experience rating refunds and health care receivables. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in

estimates is included in the determination of net income in the period in which the estimate is adjusted.

**C. Accounting Policy**

**Basis of Presentation** — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed and permitted by the Department. These statutory practices differ from accounting principles generally accepted in the United States of America (“GAAP”).

Accounting policy disclosures that are required by the NAIC Annual Statement instructions are as follows:

- (1–2) Bonds and short-term investments are stated at book/adjusted carrying value if they meet NAIC designation of one through five and stated at the lower of book/adjusted carrying value or fair value if they meet an NAIC designation of six. The Company does not have any mandatory convertible securities or Securities Valuation Office (“SVO”) identified funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the SVO of the NAIC in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service;
- (3–4) The Company holds no common or preferred stock;
- (5) The Company holds no mortgage loans on real estate;
- (6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company’s investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;
- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;
- (8) The Company has no investment interests with respect to joint ventures, partnerships or limited liability companies other than the investment in low-income housing tax credits (see Note 5K);
- (9) The Company holds no derivatives;
- (10) Premium deficiency reserves (inclusive of conversion reserves) and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses (“CAE”), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate reserve for accident and health contracts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and, therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE, and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected as an increase (decrease) in aggregate reserves for life and accident and health contracts in the statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30);

- (11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (the "Agreement") (see Note 10), the Company pays a management fee to its affiliate, United HealthCare Services, Inc. ("UHS"), in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general insurance expenses to be reported in the statutory basis statements of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid CAE as of December 31, 2017, is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified;
- (12) Maintenance and repairs that do not improve or extend the life of the respective assets are expensed in the period incurred and included in general insurance expenses in the statutory basis statements of operations. The Company has not modified its capitalization policy from the prior period.

**Properties Occupied by the Company, Properties Held for the Production of Income, Properties Held for Sale, Furniture and Equipment, and Electronic Data Processing Equipment and Software—**

The Company has no properties held for the production of income, properties held for sale, furniture and equipment or electronic data processing equipment and software.

The amounts reported for properties occupied by the Company, less encumbrances, is stated at cost less accumulated depreciation. The Company provides for depreciation using the straight-line method over the estimated useful lives of the assets, which is 39 years for properties occupied by the Company, excluding land.

Depreciation expense of \$180,346 and \$197,395 is included in net investment income in the statutory basis statements of operations for the years ended December 31, 2017 and 2016, respectively.

The components of properties occupied by the Company at December 31, 2017 and 2016, are as follows:

	2017	2016
<b>Properties Occupied by the Company</b>		
Land, buildings, and improvements	\$ 7,937,483	\$ 7,937,483
Less accumulated depreciation	<u>(5,431,973)</u>	<u>(5,251,627)</u>
Properties occupied by the Company	2,505,510	2,685,856
Less nonadmitted land, buildings, and improvements	<u>-</u>	<u>-</u>
Net admitted properties occupied by the Company	<u>\$ 2,505,510</u>	<u>\$ 2,685,856</u>

- (13) Health care receivables consist of pharmacy rebates receivable estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx"). Health care receivables are considered nonadmitted assets under the NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

The Company has also deemed the following to be significant accounting policies and/or differences between statutory practices and GAAP:

**ASSETS**

***Cash and Invested Assets***

- Bonds include U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities with a maturity of greater than one year at the time of purchase;

- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of book/adjusted carrying value or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or book/adjusted carrying value, respectively;
- Cash, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;
- Cash represents cash held by the Company in operating accounts and certificates of deposit with a maturity date of less than one year from acquisition. Claims and other payments are made from the operating accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims and other payments;
- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;
- Cash equivalents include money-market funds and U.S. treasury bills. In 2016, money-market funds were classified as a component of short-term investments. Cash equivalents have original maturity dates of three months or less from the date of acquisition. Cash equivalents, excluding money-market funds are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or net asset value as a practical expedient;
- Short-term investments include corporate debt securities, U.S. government and agency securities, state and agency municipal securities, and in 2016, money-market funds. In 2017, money-market funds are now classified as cash equivalents. Short-term investments have a maturity of greater than three months, but less than one year at the time of purchase. Short-term investments also consist of the Company's share of an investment pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. The Company's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The participants within the pool have an individual fund number to track those investments owned by the Company. In addition, the Company is listed as a participant in the executed custodial agreement between UHS and the custodian whereby the Company's share in the investment pool is segregated and separately maintained. The pool is primarily invested in government obligations, commercial paper, certificates of deposit, and short-term agency notes and is recorded at cost or book/adjusted carrying value depending on the composition of the underlying securities. Interest income from the pool accrues daily to participating members based upon ownership percentage;
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses, except for those transferred to the Interest Maintenance Reserve ("IMR"), are reported as net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax in the statutory basis statements of operations. Transfers to the IMR are net of federal income taxes;
- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition. The Company recognized an other-than-temporary impairment ("OTTI") of \$0 and \$239,440 for the years ended December 31, 2017 and 2016, respectively;
- The statutory basis statements of cash flows reconcile cash, cash equivalents, and short-term investments with original maturities of one year or less from the time of acquisition; whereas under GAAP, the statements of cash flows reconcile the corresponding captions of cash and cash equivalents with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and statutory reporting. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

- **Other Invested Assets** — Other invested assets include low-income housing tax credit (“LIHTC”) investments which are stated at book/adjusted carrying value, which approximates fair value in the statutory basis statements of admitted assets, liabilities and capital and surplus.
- **Receivables for Securities** — The Company reports receivables for securities when investments are sold at the end of an accounting period and proceeds are received in a subsequent month in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Any receivables for securities not received within 15 days from the settlement date are nonadmitted.

#### **Other Assets**

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and accrued and amounts determined to be uncollectible are written off in the period in which the determination is made. In addition, the remaining balance is assessed for admissibility and any balance greater than 90 days past due is considered a nonadmitted asset.
- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members as uncollected premiums in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential. Premiums and considerations also include risk adjustment receivables, as defined in Section 1343 of the Affordable Care Act (“ACA”). Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. A risk adjustment receivable is recorded when the Company estimates its average actuarial risk score for policies included in this program is greater than the average actuarial risk scores in that market and state risk pool;

Premium adjustments for the ACA Section 1343 risk adjustment program are accounted for as premium adjustments subject to redetermination (see Note 24).

- **Current Federal Income Tax Recoverable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A current federal income tax recoverable is recognized when the Company’s allocated intercompany estimated payments are more than its actual calculated obligation based on the Company’s stand-alone federal income tax return (see Note 9).
- **Net Deferred Tax Asset** — The NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under the NAIC SAP, the change in deferred tax assets is recorded directly to unassigned surplus in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under the NAIC SAP, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheet.
- **Guaranty Funds Receivable** – Guaranty funds receivable represent the amount of assessments paid that can be recovered on premium tax filings. Per Statement of Statutory Accounting Principles (“SSAP”) No. 35R, *Guaranty Fund and Other Assessments* (“SSAP No. 35R”), companies are allowed to set up a recoverable for those accident and health assessments that can be recovered within one year while a recoverable on life and annuity assessments can be set up for those that are recoverable in all years.
- **Receivables from Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts due as receivables from parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **State Income Tax Recoverable** — State income tax recoverable represents amounts that are expected to be recovered as a result of an overpayment of estimated tax carrybacks, or items for which the reporting entity has authority to recover under a state regulation or statute.

## **LIABILITIES**

- **Aggregate Reserve and Contract Claims for Life and Accident and Health Contracts** — The reserves for disability, accidental death, and life insurance are developed by actuarial methods and are determined based on published or established tables, using interest rates less than or equal to statutorily prescribed interest rates, and valuation methods that will provide, in the aggregate, reserves that are greater than or equal to the minimum or guaranteed cash values or the amounts required by the Department. Tabular interest, tabular less actual reserve released, tabular cost, and tabular interest on funds not involving life contingencies are determined by a formula in accordance with the State of Indiana statutes. Contract claims reserves include claims processed but not yet paid, estimates for claims received but not yet processed, and estimates for the costs of health care services enrollees have received, but for which claims have not yet been submitted.

The estimates for aggregate reserves and incurred but not reported contract claims are developed using actuarial methods based upon historical data for payment patterns, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during the years ended December 31, 2017 and 2016. Adjustments to estimates for aggregate reserve for life and accident and health contracts are reflected in operating results in the period in which the change in estimate is identified.

Aggregate reserves are based on mortality and interest assumptions prescribed and permitted by state statutes without consideration of withdrawals. Statutory reserves may differ from reserves based on the Company's estimates of mortality, interest, and withdrawals; receivables on unpaid claims for coinsurance contracts are netted against contract claims for life and accident and health in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, the receivables would be presented as assets.

The reserves ceded to reinsurers for aggregate reserve for life contracts, aggregate reserve for accident and health contracts, and contract claims for life and accident and health have been reported as reductions of the related reserves rather than as assets, which would be required under GAAP.

Aggregate reserve and contract claims for life and accident and health contracts also include risk adjustment payables as defined in Section 1343 of the ACA. Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. A risk adjustment payable is recorded when the Company estimates its average actuarial risk score for policies included in this program is less than the average actuarial risk scores in that market and state risk pool (see Note 24);

- **Unearned Premiums** — The unexpired portion of accident and health insurance premiums received is reported as part of aggregate reserve for accident and health contracts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Liability for Deposit-Type Contracts** — Consideration for annuities and other deposit-type contracts that do not involve any mortality or morbidity risks are recorded as liability for deposit-type contracts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Revenues for these contracts include fees charged to policyholders and investment income in the statutory basis statements of operations.
- **Premiums for Life and Accident and Health Contracts Received in Advance** — Premiums received in full during the current period that are not due until future periods are recorded as premiums for life and accident and health contracts received in advance in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Provision for Experience Rating Refunds** — The Company establishes a liability, net of ceded reinsurance, for estimated premium refunds on experience rated contracts based on actuarial methods and assumptions and minimum loss ratio requirements. The liability also includes the estimated rebates payable on the comprehensive commercial health products if the medical loss ratios on fully insured products, as calculated under the definitions in the ACA (see Note 14) and implementing regulations, fall below certain targets. The Company is required to rebate the ratable portions of the premiums annually (see Note 24). Estimated accrued retrospective premiums due from the Company are recorded in provision for experience rating refunds in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Interest Maintenance Reserve and Asset Valuation Reserve** — The Company maintains an IMR and an asset valuation reserve (“AVR”). The IMR is designed to defer recognition of realized capital gains and losses, due to interest rate changes on fixed-income investments, and to amortize those gains and losses into future investment income over the remaining life of the investments sold. To the extent the deferral of capital losses results in a net asset, such amount will be nonadmitted and excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus. The AVR is designed to address the default and equity risk on the majority of the Company’s invested assets. The principal function of the AVR is to reserve for credit losses on fixed-income securities carried at amortized values and for fluctuation in statutory capital and surplus resulting from realized gains and losses and changes in unrealized gains and losses.

The IMR is determined based on a formula prescribed by the NAIC whereby the Company defers the portion of realized capital gains and losses on sales of fixed-income investments, principally bonds, attributable to changes in the general level of interest rates and amortizes these deferrals over the remaining period to maturity based on groupings of individual securities sold in five year bands, rather than recognize the realized gains and losses currently. Further, the AVR is determined by the NAIC-prescribed formulas and is reported as a liability rather than as a valuation allowance or appropriation of unassigned surplus in the statutory basis financial statements. Under GAAP, realized capital gains and losses are reported in the statements of operations on a pre-tax basis in the period that the asset giving rise to the gain or loss is sold and calculation of allowances are provided where there has been a decline in value deemed other-than-temporary, in which case, the provision for such decline is charged to earnings.

- **Commissions to Agents Due or Accrued** — Commissions that are due as of the reporting date that have been incurred but not yet paid are reported as commissions to agents due or accrued in the statutory basis statement of admitted assets, liabilities, and capital and surplus.
- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Taxes, Licenses, and Fees Due or Accrued, Excluding Federal Income Taxes (“TL&F”)** — TL&F represents insurance assessments, state taxes on premium and income and state insurance department licenses and fees. TL&F is recognized when incurred. Taxes, licenses and fees that are due as of the reporting date in addition to taxes, licenses, and fees that have been incurred but are not due until a subsequent period are reported as TL&F in the statutory basis statements of admitted assets, liabilities, and capital and surplus. TL&F also include the unpaid portion of the contributions required under the ACA risk adjustment and reinsurance programs (see Note 24).
- **Remittances and Items Not Allocated** — Remittances and items not allocated generally represent monies received from policyholders for monthly premium billings or providers that have not been specifically identified or applied prior to year-end. The majority is from monies received in the lockbox account on the last day of the year.
- **Drafts Outstanding** — Drafts outstanding represent a legal offer to settle outstanding claims with the claimant.
- **Payable for Securities** — The Company reports payable for securities when investments are traded at the end of an accounting period for which the settlement does not occur until the following month in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

#### **CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS**

- **Nonadmitted Assets** — Certain assets, including certain aged premium receivables, certain health care receivables, certain deferred tax assets, and prepaid expenses are considered nonadmitted assets under the NAIC SAP and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet.

- **Surplus Notes** — Under the NAIC SAP, surplus notes are an element of total capital and surplus, whereas under GAAP, surplus notes are reported as debt obligations (see Note 13).
- **Restricted Cash Reserves** — The Company held regulatory deposits in the amount of \$4,330,295 and \$4,381,731 as of December 31, 2017 and 2016, respectively, in compliance with the various states requirements for qualification purposes as a domestic and foreign insurer. These restricted cash reserves consist principally of government obligations and are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds and short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.
- **Minimum Capital and Surplus** — Under the laws of the State of Indiana, the Company's domiciliary state, the Department requires the Company to maintain a minimum capital and surplus equal to \$450,000.

Risk-based capital ("RBC") is a regulatory tool for measuring the minimum amount of capital appropriate for a life, accident and health organization to support its overall business operations in consideration of its size and risk profile. The Department requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the RBC formula, or the level needed to avoid action pursuant to the trend test in the RBC formula.

The Company is also subject to minimum capital and surplus requirements in other states where it is licensed to do business.

The Company has \$198,627,101 and \$170,050,413 in total statutory basis capital and surplus as of December 31, 2017 and 2016, respectively, which is in compliance with the required amounts where it is licensed to do business.

- **Section 9010 ACA Subsequent Fee Year Assessment** — The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under the NAIC SAP, an amount equal to the estimated subsequent year fee must be apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required. In accordance with the 2017 Health Insurer Fee ("HIF") moratorium, no HIF was payable in 2017, therefore no amounts were apportioned out in the 2016 statutory basis statements of admitted assets, liabilities, and capital and surplus.

## **STATEMENTS OF OPERATIONS**

- **Premiums for Life and Accident and Health Contracts — Net** — Premiums for life and accident and health contracts—net are recognized in the period in which enrollees are entitled to receive services and are shown net of reinsurance premiums paid and reinsurance premiums incurred but not paid in the statutory basis statements of operations. The corresponding change in unearned premium from year to year is reflected as a decrease in aggregate reserves for life and accident and health contracts in the statutory basis statements of operations. Under GAAP, the change in unearned premium from year to year on the accident and health insurance premiums is reported through premium income.

Comprehensive commercial health plans with medical loss ratios on fully insured products, as calculated under the definitions in the ACA (see Note 14) and implementing regulations, that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as premiums for life and accident and health contracts—net in the statutory basis statements of operations.

Pursuant to Section 1343 of the ACA, the Company records premium adjustments for changes to the risk adjustment balances which are reflected in premiums for life and accident and health contracts—net in the statutory basis statements of operations.

Premium receipts and benefits on universal life-type contracts are recorded as premiums for life and accident and health contracts and death benefits—net within the statutory basis statements of operations. Under GAAP, revenues on universal life-type contracts are comprised of contract charges and fees, which are recognized when assessed against the policyholder account balance. Additionally, premium receipts on universal life-type contracts are considered deposits and are recorded as interest-bearing liabilities, while benefits are recognized as expenses in excess of the policyholder account balance.

- **Net Investment Income** — Net investment income includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income (see Note 7).

- **Commissions and Expense Allowances on Reinsurance Ceded** — Commissions and expense allowances on reinsurance ceded primarily represents the amortization of the ceding commission on the sale of the life and annuity business in 2005. Commissions and expense allowances on reinsurance ceded are included in commissions and expense allowances on reinsurance ceded in the statutory basis statements of operations.
- **Miscellaneous Income** — Miscellaneous income consists primarily of fees received for the administration of health contracts.
- **Death Benefits, Disability Benefits and Benefits under Accident and Health Contracts—Net, and Decrease in Aggregate Reserves for Life and Accident and Health Insurance Contracts** — Death benefits and changes in aggregate reserves for life contracts includes life claims paid, life claims processed but not yet paid, estimates for life claims received but not yet processed, estimates for life claims where the death has occurred but for which a claim has not been submitted and changes in contract and policy reserves. Disability benefits and benefits under accident and health insurance contracts and changes in aggregate reserves for accident and health contracts include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, payments and liabilities for physician, hospital, and other medical costs disputes, estimates for payments not yet due on incurred claims and changes in contract and policy reserves.
- **Commissions on Premiums** — Commissions on premiums represent commission expense for external brokers and agents. Expense is recorded when incurred based upon the contract period.
- **General Insurance Expenses** — Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the Agreement are directly expensed as incurred. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general insurance expenses to be reported in the statutory basis statements of operations.
- **Insurance Taxes, Licenses and Fees, Excluding Federal Income Taxes (“Insurance TL&F”)** — Insurance TL&F represents insurance assessments, state taxes on premium and income and state insurance department licenses and fees. Insurance TL&F is recognized when incurred. The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity’s annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014, which is nondeductible for tax purposes. Under the NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in insurance taxes, licenses and fees, excluding federal income taxes in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis throughout the year. In accordance with the HIF moratorium, no HIF was recorded to insurance TL&F in 2017.
- **Federal Income Taxes Incurred** —The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of 35% to net gain from operations before federal income taxes and net realized capital gains (losses) subject to certain adjustments (see Note 9).
- **Comprehensive Income** — Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements.

## **REINSURANCE**

- **Reinsurance Ceded** — In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding premium to other insurance enterprises or reinsurers under excess coverage contracts or specific transfer of risk agreements. The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums paid and reinsurance premiums incurred but not paid are deducted from premiums for life and accident and health contracts—net in the statutory basis statements of operations. Any amounts due to the Company pursuant to these agreements are recorded as amounts recoverable from reinsurers in the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 10 and Note 23).
- **Other Amounts Receivable Under Reinsurance Contracts** — Other amounts receivable under reinsurance contracts includes a receivable from The State Life Insurance Company for premium taxes due on the life and annuity business ceded under a 100% indemnity reinsurance contract (see Note 23).

- **Section 1341 ACA Transitional Reinsurance** — The Company has established receivables of \$322,819 and \$1,372,863, liabilities of \$0 and \$98,332 and ceded reserves of \$0 and \$50,495 as of December 31, 2017 and 2016, respectively, pursuant to Section 1341 of the ACA, which are included in amounts recoverable from reinsurers, other amounts payable on reinsurance and a reduction to contract claims – accident and health, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, for the transitional reinsurance program. This program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations (see Note 24).

#### **OTHER**

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business. The Company believes it has mitigated exposure from concentrations through the diversity of its distribution channels. While the product distribution and distribution channels are diversified, the Company may have some exposure due to geographic concentrations of individual health business. The Company's three largest states by premium collected are Florida, Texas and Arizona with a combined 35% and 34% of the accident and health premium in 2017 and 2016, respectively. As with all lines of business, this business is subject to normal claims fluctuations and environmental issues.

The Company has no customers that individually exceed 10% of total direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, for the years ended December 31, 2017 and 2016.

**Recently Issued Accounting Standards** — In March 2017, the NAIC revised SSAP No. 35R, *Guaranty Fund and Other Assessments*, for the accounting and disclosure requirements related to the required discounting of liabilities and assets related to assessments from insolvencies of entities that wrote long-term care contracts. This revised guidance is effective for reporting periods after January 1, 2017. The Company adopted the revised accounting and disclosure requirements in 2017 and the impact is disclosed in Note 2 and Note 14.

In March 2017, the NAIC revised SSAP No. 2R, *Cash, Drafts, and Short-Term Investments*, for the presentation of money-market fund balances. Money-market funds are now included as a component of cash equivalents in 2017, whereas in 2016, money-market funds were included as a component of short-term investments. This revised guidance is effective for reporting periods on and after December 31, 2017. The Company adopted the revised change in presentation in 2017. The financial statements and related disclosures for the two years being presented conform with this change in presentation.

In April 2017, the NAIC revised SSAP No. 26R, *Bonds*, for the measurement method of mandatory convertible securities and SVO identified funds (i.e.: exchange traded funds and bond mutual funds) investments. The Company has adopted the revised guidance effective December 31, 2017. This guidance is not expected to have a material impact to the statutory basis financial statements.

The Company reviewed all other recently issued guidance in 2017 and 2016 that has been adopted for 2017 or subsequent years' implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

#### **D. Going Concern**

The Company has the ability and will continue to operate for a period of time sufficient to carry out its commitments, obligations and business objectives.

#### **2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS**

No correction of errors have been recorded during the years ended December 31, 2017 and 2016.

Effective March 2017, the Company adopted the revised accounting and disclosure requirements of SSAP No. 35R (see Note 1). As a result of this adoption, the Company recorded the net difference between the undiscounted and discounted guaranty association assessment liability and associated premium tax credit asset, net of tax, as a change in accounting principle, net of tax, in the statutory basis statements of changes in capital and surplus. This change is reported as a non-cash transaction in the statutory basis statements of cash flows.

#### **3. BUSINESS COMBINATIONS AND GOODWILL**

**A–D.** The Company was not party to a business combination during the years ended December 31, 2017 and 2016, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

**4. DISCONTINUED OPERATIONS****A. Discontinued Operation Disposed of or Classified as Held for Sale**

(1–4) The Company did not have any discontinued operations disposed of or classified as held for sale during 2017 and 2016.

**B. Change in Plan of Sale of Discontinued Operation** — Not applicable.

**C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal** — Not applicable.

**D. Equity Interest Retained in the Discontinued Operation after Disposal** — Not applicable.

**5. INVESTMENTS AND OTHER INVESTED ASSETS**

Money-market funds activity is now included as a component of cash equivalents in 2017, whereas in 2016, money-market funds activity was included as a component of short-term investments. The amounts in the following disclosures and corresponding tables reflect this change in presentation.

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were \$412,098 and \$270,651, respectively, for 2017 and \$3,662,312 and \$452,072, respectively, for 2016. The gross realized gains and losses on sales of short-term investments were \$0 and \$0, respectively, for 2017 and \$1,249 and \$574, respectively, for 2016. The net realized gain is included in net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were \$47,304,369 and \$223,999,593 and for short-term investments, were \$884,501,921 and \$1,521,862,858 in 2017 and 2016, respectively.

As of December 31, 2017 and 2016, the book/adjusted carrying value, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding cash and cash equivalents of \$7,991,865 and \$3,161,741, respectively, are as follows:

	Book/Adjusted Carrying Value	2017			Fair Value
		Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	
U.S. government and agency securities	\$ 81,157,844	\$ 553,654	\$ 149,257	\$ 1,960,901	\$ 79,601,340
State and agency municipal securities	79,868,432	851,997	222,778	103,218	80,394,433
City and county municipal securities	64,515,779	478,385	242,515	115,234	64,636,415
Corporate debt securities (includes commercial paper)	171,733,699	480,036	270,290	339,045	171,604,400
Other invested assets	13,551,364	-	-	-	13,551,364
Total bonds, short-term investments, and other invested assets	<u>\$ 410,827,118</u>	<u>\$ 2,364,072</u>	<u>\$ 884,840</u>	<u>\$ 2,518,398</u>	<u>\$ 409,787,952</u>

	Book/Adjusted Carrying Value	2017			Fair Value
		Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	
Less than one year	\$ 100,163,127	\$ 116,197	\$ 72,820	\$ 15,348	\$ 100,191,156
One to five years	155,782,572	628,910	619,710	328,364	155,463,408
Five to ten years	117,445,090	1,240,427	125,266	1,595,577	116,964,674
Over ten years	37,436,329	378,538	67,044	579,109	37,168,714
Total bonds, short-term investments, and other invested assets	<u>\$ 410,827,118</u>	<u>\$ 2,364,072</u>	<u>\$ 884,840</u>	<u>\$ 2,518,398</u>	<u>\$ 409,787,952</u>

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

	2016				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 Year	Gross Unrealized Holding Losses > 1 Year	Fair Value
U.S. government and agency securities	\$ 80,828,914	\$ 745,097	\$ 2,332,527	\$ 31,697	\$ 79,209,787
State and agency municipal securities	100,695,884	555,284	805,161	-	100,446,007
City and county municipal securities	70,785,687	330,269	941,414	-	70,174,542
Corporate debt securities (includes commercial paper)	122,725,941	267,006	761,903	10,663	122,220,381
Money-market funds	8,419,562	-	-	-	8,419,562
Other invested assets	15,422,449	-	-	-	15,422,449
Total bonds, short-term investments, and other invested assets	<u>\$ 398,878,437</u>	<u>\$ 1,897,656</u>	<u>\$ 4,841,005</u>	<u>\$ 42,360</u>	<u>\$ 395,892,728</u>

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at an book/adjusted carrying value of \$36,571,424 and fair value of \$36,062,722.

The following table illustrates the fair value and gross unrealized holding losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2017 and 2016:

	2017					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	\$ 18,809,897	\$ (149,257)	\$ 53,778,256	\$ (1,960,901)	\$ 72,588,153	\$ (2,110,158)
State and agency municipal securities	33,583,922	(222,778)	3,599,610	(103,218)	37,183,532	(325,996)
City and county municipal securities	22,082,212	(242,515)	6,178,098	(115,234)	28,260,310	(357,749)
Corporate debt securities (includes commercial paper)	80,004,481	(270,290)	11,768,875	(339,045)	91,773,356	(609,335)
Total bonds and short-term investments	<u>\$154,480,512</u>	<u>\$ (884,840)</u>	<u>\$ 75,324,839</u>	<u>\$ (2,518,398)</u>	<u>\$229,805,351</u>	<u>\$ (3,403,238)</u>

	2016					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	\$ 68,147,659	\$ (2,332,527)	\$ 857,617	\$ (31,697)	\$ 69,005,276	\$ (2,364,224)
State and agency municipal securities	55,798,196	(805,161)	-	-	55,798,196	(805,161)
City and county municipal securities	30,283,363	(941,414)	-	-	30,283,363	(941,414)
Corporate debt securities (includes commercial paper)	57,106,534	(761,903)	1,961,221	(10,663)	59,067,755	(772,566)
Total bonds and short-term investments	<u>\$211,335,752</u>	<u>\$ (4,841,005)</u>	<u>\$ 2,818,838</u>	<u>\$ (42,360)</u>	<u>\$214,154,590</u>	<u>\$ (4,883,365)</u>

The unrealized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at December 31, 2017 and 2016, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipal, local agency, and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company recorded OTTIs of \$0 and \$239,440 as of December 31, 2017 and 2016, respectively, which are included in net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax in the statutory basis statements of operations.

The Company is an investment member in the USB LIHTC Fund (see Note 5K). The amount associated with this investment is included in other assets in the statutory basis statements of admitted assets, liabilities and capital and surplus.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax (benefit) net of federal income taxes incurred (benefit) and amounts transferred to the IMR as of December 31, 2017 and 2016, are as follows:

	2017	2016
Realized capital gains—net of related taxes of \$52,241 and \$1,069,871 in 2017 and 2016, respectively	\$ 89,206	\$ 1,901,605
Less amount transferred to IMR—net of related taxes of \$49,506 and \$1,437,180 in 2017 and 2016, respectively	<u>(91,941)</u>	<u>(1,838,334)</u>
Net realized capital losses—net of tax and amounts transferred to IMR	<u>\$ (2,735)</u>	<u>\$ 63,271</u>

**A–C.** The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property held for the production of income, or real estate property held for sale.

**D. Loan-Backed Securities**

- (1) U.S. government and agency securities and corporate debt securities include loan-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.
- (2) The Company did not recognize any OTTI on loan-backed securities as of December 31, 2017 and 2016.
- (3) The Company did not have any loan-backed securities with an OTTI to report by CUSIP as of December 31, 2017 or 2016.
- (4) The following table illustrates the fair value, gross unrealized losses, and length of time that the loan-backed securities have been in a continuous unrealized loss position as of December 31, 2017 and 2016:

	2017
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 172,844
2. 12 months or longer	586,237
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	38,078,199
2. 12 months or longer	25,355,468
	<b>2016</b>
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 608,099
2. 12 months or longer	33,335
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	38,625,810
2. 12 months or longer	1,749,098

- (5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrealized losses as of December 31, 2017 and 2016 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions** — Not applicable.

- F. **Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.
- G. **Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.
- H. **Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- I. **Reverse Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- J. **Real Estate** — Not applicable.
- K. **Low-Income Housing Tax Credits (“LIHTC”)** —

(1–7) LIHTC investments of \$13,551,364 and \$15,422,449 as of December 31, 2017 and 2016, respectively, are included in other invested assets in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company also has a corresponding liability of \$2,421,604 and \$2,421,604 as of December 31, 2017 and 2016, respectively, which represents the future capital contributions that will be required as long as the asset is performing based on the agreed upon terms. The number of remaining years of unexpired tax credits is six, and the required holding period for the LIHTC investments is twelve. The LIHTC investments are not currently subject to any regulatory reviews. The Company did not recognize any impairment losses, write-downs, or reclassifications during 2017 or 2016.

**L. Restricted Assets** —

(1) Restricted assets, including pledged securities as of December 31, 2017 and 2016, are presented below:

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					Percentage					
	Current Year					6	7	8	9	10	11
	1	2	3	4	5						
Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 Plus 3)	Total from Prior Year	Increase/ (Decrease) (5 Minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)	
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0 %	0 %
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	0 %	0 %
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	-	-	-	-	0 %	0 %
i. FHLB capital stock	-	-	-	-	-	-	-	-	-	0 %	0 %
j. On deposit with states	4,330,295	-	-	-	4,330,295	4,381,731	(51,436)	-	4,330,295	0.8 %	0.9 %
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	0 %	0 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0 %	0 %
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	0 %	0 %
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0 %	0 %
<b>o. Total restricted assets</b>	<b>\$ 4,330,295</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,330,295</b>	<b>\$ 4,381,731</b>	<b>\$ (51,436)</b>	<b>\$ -</b>	<b>\$ 4,330,295</b>	<b>0.8 %</b>	<b>0.9 %</b>

(a) Subset of column 1  
 (b) Subset of column 3  
 (c) Column 5 divided by Asset Page, Column 1, Line 28  
 (d) Column 9 divided by Asset Page, Column 3, Line 28

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2017 or 2016.

**M. Working Capital Finance Investments** — Not applicable.

**N. Offsetting and Netting of Assets and Liabilities**

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

**O. Structured Notes**

The Company does not have any structured notes.

**P. 5\* Securities**

The Company does not have any investments with an NAIC designation of 5\* as of December 31, 2017 and 2016.

**Q. Short Sales** — Not applicable.

**R. Prepayment Penalty and Acceleration Fees** — Not applicable.

**6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES**

**A–B.** The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

**7. INVESTMENT INCOME**

**A.** The Company excludes all investment income due and accrued amounts that are over 90 days past due from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

**B.** There were no investment income amounts excluded from the statutory basis financial statements.

**8. DERIVATIVE INSTRUMENTS**

**A–F.** The Company has no derivative instruments.

**9. INCOME TAXES**

**A. Deferred Tax Asset/Liability**

**(1)** The components of the net deferred tax asset at December 31, 2017 and 2016, are as follows:

	2017			2016			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Gross deferred tax assets	\$ 13,452,356	\$ 18,070	\$ 13,470,426	\$ 21,836,420	\$ 31,017	\$ 21,867,437	\$ (8,384,064)	\$ (12,947)	\$ (8,397,011)
(b) Statutory valuation allowance adjustments	-	18,070	18,070	-	31,017	31,017	-	(12,947)	(12,947)
(c) Adjusted gross deferred tax assets (1a - 1b)	13,452,356	-	13,452,356	21,836,420	-	21,836,420	(8,384,064)	-	(8,384,064)
(d) Deferred tax assets nonadmitted	834,515	-	834,515	7,292,490	-	7,292,490	(6,457,975)	-	(6,457,975)
(e) Subtotal net admitted deferred tax asset (1c - 1d)	12,617,841	-	12,617,841	14,543,930	-	14,543,930	(1,926,089)	-	(1,926,089)
(f) Deferred tax liabilities	774,521	-	774,521	820,293	-	820,293	(45,772)	-	(45,772)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 11,843,320	\$ -	\$ 11,843,320	\$ 13,723,637	\$ -	\$ 13,723,637	\$ (1,880,317)	\$ -	\$ (1,880,317)

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

- (2) The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes—A Replacement of SSAP No. 10R and SSAP No. 10*, are as follows:

Admission Calculation Components SSAP No. 101	2017			2016			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 11,843,320	\$ -	\$ 11,843,320	\$ 11,733,754	\$ -	\$ 11,733,754	\$ 109,566	\$ -	\$ 109,566
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	1,989,883	-	1,989,883	(1,989,883)	-	(1,989,883)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	1,989,883	-	1,989,883	(1,989,883)	-	(1,989,883)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	28,241,302	XXX	XXX	23,674,248	XXX	XXX	4,567,054
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	<u>774,521</u>	<u>-</u>	<u>774,521</u>	<u>820,293</u>	<u>-</u>	<u>820,293</u>	<u>(45,772)</u>	<u>-</u>	<u>(45,772)</u>
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	<u>\$ 12,617,841</u>	<u>\$ -</u>	<u>\$ 12,617,841</u>	<u>\$ 14,543,930</u>	<u>\$ -</u>	<u>\$ 14,543,930</u>	<u>\$ (1,926,089)</u>	<u>\$ -</u>	<u>\$ (1,926,089)</u>

- (3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admissibility calculation are presented below:

	2017	2016
(a) Ratio percentage used to determine recovery period and threshold limitation amount	390 %	328 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	\$ 188,275,349	\$ 157,828,321

- (4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2017 and 2016, is presented below:

Impact of Tax-Planning Strategies	2017		2016		Change	
	1 Ordinary	2 Total	3 Ordinary	4 Total	5 (Col 1 - 3) Ordinary	6 (Col 2 - 4) Total
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets by tax character as a percentage.						
1. Adjusted gross DTAs amount from Note 9A1(c)	\$13,452,356	\$13,452,356	\$21,836,420	\$21,836,420	\$(8,384,064)	\$(8,384,064)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$12,617,841	\$12,617,841	\$14,543,930	\$14,543,930	\$(1,926,089)	\$(1,926,089)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
(b) Does the Company's tax-planning strategies include the use of reinsurance?			Yes		No	X

**B. Unrecognized Deferred Tax Liabilities**

- (1-4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2017 and 2016.

**C. Significant Components of Income Taxes**

- (1) The current federal and foreign income taxes incurred for the years ended December 31, 2017 and 2016 are as follows:

	1	2	3
	2017	2016	(Col 1 - 2) Change
1. Current income tax			
(a) Federal	\$ 41,080,662	\$ 39,090,502	\$ 1,990,160
(b) Foreign	-	-	-
(c) Subtotal	41,080,662	39,090,502	1,990,160
(d) Federal income tax on net capital gains	52,241	1,069,871	(1,017,630)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	<u>\$ 41,132,903</u>	<u>\$ 40,160,373</u>	<u>\$ 972,530</u>

- (2-4) The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2017 and 2016, are as follows:

	1	2	3
	2017	2016	(Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 671,191	\$ 685,877	\$ (14,686)
(2) Unearned premium reserve	2,620,991	5,005,958	(2,384,967)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	8,810,686	13,621,361	(4,810,675)
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	125,820	-	125,820
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables—nonadmitted	476,007	1,054,292	(578,285)
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	<u>747,661</u>	<u>1,468,932</u>	<u>(721,271)</u>
(99) Subtotal	13,452,356	21,836,420	(8,384,064)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	<u>834,515</u>	<u>7,292,490</u>	<u>(6,457,975)</u>
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	<u>12,617,841</u>	<u>14,543,930</u>	<u>(1,926,089)</u>
(e) Capital:			
(1) Investments	18,070	31,017	(12,947)
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	18,070	31,017	(12,947)
(f) Statutory valuation allowance adjustment	18,070	31,017	(12,947)
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	<u>12,617,841</u>	<u>14,543,930</u>	<u>(1,926,089)</u>
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	21,252	22,899	(1,647)
(2) Fixed assets	-	479,705	(479,705)
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	<u>753,269</u>	<u>317,689</u>	<u>435,580</u>
(99) Subtotal	<u>774,521</u>	<u>820,293</u>	<u>(45,772)</u>
(b) Capital:			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	-	-	-
(c) Deferred tax liabilities (3a99 + 3b99)	<u>774,521</u>	<u>820,293</u>	<u>(45,772)</u>
4 Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 11,843,320</u>	<u>\$ 13,723,637</u>	<u>\$ (1,880,317)</u>

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

The other ordinary deferred tax asset of \$747,661 for 2017 consists of general expenses due and accrued of \$44,268 and other items of \$703,393. The other ordinary deferred tax asset of \$1,468,932 for 2016 consists of general expenses due and accrued of \$541,588 and other items of \$927,344

The other ordinary deferred tax liabilities of \$753,269 and \$317,689 for 2017 and 2016, respectively, consist of venture capital.

On December 22, 2017, the U.S. federal government enacted a tax bill, H.R. 1, An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 ("Tax Reform"). Tax Reform changed existing United States tax law including a reduction of the U.S. corporate tax rate. The Company has accounted for the impacts of Tax Reform by re-measuring its deferred tax assets/(liabilities) at the 21% enacted tax rate. The impact of the change in tax rate was a decrease in net deferred tax assets/(liabilities) of \$7,895,547. This change is made up of the following components:

Change in net deferred income tax	\$ 8,463,937
Change in net unrealized capital gains or (losses) less capital gains tax	-
Change in statutory valuation allowance adjustment	(12,047)
Change in nonadmitted deferred tax asset	<u>(556,343)</u>
Total	<u>\$ 7,895,547</u>

The Company's deferred tax assets/(liabilities) for the year ended December 31, 2016 remain at the previously enacted tax rate. The Company's measurement of the income tax effects of Tax Reform for the year ended December 31, 2017 is reasonably estimated.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of \$18,070 and \$31,017 to reduce the gross deferred tax asset to \$13,452,356 and \$21,836,420 as of December 31, 2017 and 2016, respectively, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is attributable to the change in timing of deductibility of expenses, the change in federal income tax rates and/or expectations for future taxable income.

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income before federal income taxes incurred, plus capital gains tax. A summarization of the significant items causing this difference as of December 31, 2017 and 2016 is as follows:

	<u>2017</u>		<u>2016</u>	
	<u>Amount</u>	<u>Effective Tax Rate</u>	<u>Amount</u>	<u>Effective Tax Rate</u>
Tax provision at the federal statutory rate	\$ 43,297,086	35.0%	\$ 36,485,907	35.0%
Capital gains	<u>49,506</u>	<u>0.0%</u>	<u>1,040,017</u>	<u>1.0%</u>
Total income tax	43,346,592	35.0%	37,525,924	36.0%
Tax-exempt interest	(871,533)	(0.7)%	(1,144,418)	(1.1)%
Health insurer fee	-	0.0%	9,106,501	8.7%
Current year tax credit	(2,109,627)	(1.7)%	(2,109,627)	(2.0)%
Other current year items	(82,539)	(0.1)%	(1,543,905)	(1.5)%
Tax effect of nonadmitted assets	737,312	0.6%	(1,569,423)	(1.5)%
Prior year true-up	-	0.0%	-	0.0%
Change in tax law	8,463,937	6.8%	-	0.0%
Change in statutory valuation allowance	(12,947)	0.0%	(3,673)	0.0%
Other	<u>-</u>	<u>0.0%</u>	<u>114</u>	<u>0.0%</u>
Total statutory income taxes	<u>\$ 49,471,195</u>	<u>39.9%</u>	<u>\$ 40,261,493</u>	<u>38.6%</u>
Federal income taxes incurred	\$ 41,080,662	33.2%	\$ 39,090,502	37.5%
Capital gains tax	52,241	0.0%	1,069,871	1.0%
Change in net deferred income tax	<u>8,338,292</u>	<u>6.7%</u>	<u>101,120</u>	<u>0.1%</u>
Total statutory income taxes	<u>\$ 49,471,195</u>	<u>39.9%</u>	<u>\$ 40,261,493</u>	<u>38.6%</u>

- E. At December 31, 2017, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable of \$32,001,619 and \$34,917,380 as of December 31, 2017 and 2016, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds, were \$40,232,621 and \$55,563,030 in 2017 and 2016, respectively.

Federal income taxes incurred of \$43,148,381 and \$40,158,620 for 2017 and 2016, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 ("Deposits made to suspend running of interest on potential underpayments, etc.") of the Internal Revenue Service ("IRS") Code.

- F.** The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y—Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group's 2017 tax return is under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2011 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.
- G. Tax Contingencies** — Not applicable.

## 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

### A–N. Material Related Party Transactions

Pursuant to the terms of the Agreement, UHS will provide management services to the Company under a fee structure, which is based on a percentage of premium charges representing UHS' expenses for services or use of assets provided to the Company. In addition, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a per member per month ("PMPM") basis (where the charges incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services may include, but are not limited to, utilization management, network management and operations for medical, behavioral health, pharmacy benefit management, transplant services and discount program services. The amount and types of services provided pursuant to the pass-through provision of the Agreement can change year over year as UHS becomes the contracting entity for services provided to the Company's members. Total administrative services and access fees under this arrangement totaled \$143,195,931 and \$119,596,463 in 2017 and 2016, respectively, and are included in disability benefits and benefits under accident and health contracts — net, general insurance expenses and insurance taxes, licenses, and fees, excluding federal income taxes in the statutory basis statements of operations. Direct expenses not covered under the Agreement, such as Department exam and licensing fees and ACA assessments are paid by UHS on behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

The Company contracts with OptumRx to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to these agreements are calculated on a per-claim basis and are included in general insurance expenses in the statutory basis statements of operations.

The Company is a party to various purchased service agreements with various related parties, whereby these related parties provide a combination of network management and benefit administration to the Company. Spectera, Inc. provides administrative services related to vision benefit management and claims processing. Dental Benefit Providers, Inc. provides network access and dental care administration. UHS disease management services provide case management and heart failure management services to reduce admissions, readmissions and inappropriate emergency room utilization. OptumHealth Care Solutions, Inc. provides network access for therapy providers and other administrative functions. OptumHealth arranges to provide certain transplant related services. United Behavioral Health ("UBH") provides mental health and substance abuse services. In all instances, the fees and costs of such services are reasonable and consistent with those provided by a third-party provider.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

The Company was charged the following for Purchase Service Agreements, which are included in general insurance expenses and insurance taxes, licenses, and fees, excluding federal income taxes in the statutory basis statements of operations:

	<b>2017</b>	<b>2016</b>
Purchased services agreements:		
OptumRx pharmacy fees	\$ 4,558,086	\$ 4,670,735
Dental Benefit Providers, Inc. administrative fees	3,253,810	2,502,518
UHS disease management services	1,785,599	2,005,246
Spectera, Inc. vision administrative fees	615,339	387,404
OptumHealth Care Solutions, Inc. network access fees	317,166	339,392
OptumHealth transplant services	299,103	394,526
All other affiliated expenses	<u>300,594</u>	<u>266,229</u>
Total purchased services	<u>\$11,129,697</u>	<u>\$10,566,050</u>

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

The Company holds a \$150,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was renewed effective July 1, 2017. No amounts were outstanding under the line of credit as of December 31, 2017 and 2016. The total amount of interest paid or still accrued on all borrowings throughout the year was \$68,109 and \$36,657 as of December 31, 2017 and 2016, respectively.

At December 31, 2017 and 2016, the Company reported \$5,225,379 and \$47,513,063, respectively, as receivables from parent, subsidiaries, and affiliates, net, which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

In addition to the agreements above, UHS maintains a private short-term money market investment pool in which affiliated companies may participate (see Note 1). At December 31, 2017 and 2016, the Company's portion was \$16,138,494 and \$5,492,068, respectively, and is included in cash, cash equivalents, and short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of \$60,000,000 and \$156,800,000 in 2017 and 2016, respectively, to its parent (see Note 13).

The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary or controlled or affiliated entity.

The Company does not have any investments in a subsidiary or controlled or affiliated entity that exceeds 10% of admitted assets.

The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company does not have any investments in non-insurance subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in insurance subsidiaries, controlled, or affiliated entities.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.

## 11. DEBT

**A–B.** The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2017 and 2016.

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS**

**A-I.** 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 Agreement (see Note 10).

**13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS**

**(1-2)** 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.

**(3)** The maximum amount of dividends which can be paid by insurance companies which are regulated under the State of Indiana holding company statutes without prior approval of the Department is restricted to the greater of statutory basis net gain from operations (before realized gains (losses)) for the preceding year or 10% of statutory policyholder surplus at the end of the preceding year. The maximum dividend allowable in 2018 without prior approval of the Department is \$82,625,299.

**(4)** The Company paid an ordinary cash dividend to GRFC of \$30,000,000 on July 14, 2017 which required no approval and was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company paid an extraordinary cash dividend to GRFC of \$30,000,000 on September 22, 2017, which was approved by the Department and recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

**(5)** The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.

**(6)** There are no restrictions placed on the Company's unassigned surplus.

**(7)** The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.

**(8)** The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.

**(9)** For the year ended December 31, 2017, the amount of the estimated Section 9010 ACA subsequent fee year assessment apportioned out of unassigned surplus was \$27,341,278. As discussed in Note 1, in 2016 no amount was required to be apportioned out of unassigned surplus for the Section 9010 ACA subsequent fee year assessment.

**(10)** The portion of unassigned surplus, excluding the apportionment of estimated Section 9010 ACA subsequent fee year assessment, change in accounting principles, net income, and dividends, represented (or reduced) by each item below is as follows:

	2017	2016	Change
Net deferred income taxes	\$ 12,677,835	\$ 21,016,127	\$ (8,338,292)
Nonadmitted assets	(10,655,203)	(19,219,784)	8,564,581
Asset valuation reserve	(1,491,568)	(1,501,545)	9,977
Surplus due to reinsurance	<u>10,345,345</u>	<u>12,144,535</u>	<u>(1,799,190)</u>
Total	<u>\$ 10,876,409</u>	<u>\$ 12,439,333</u>	<u>\$ (1,562,924)</u>

**(11-13)** The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

**14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS**

**A. Contingent Commitments**

The Company has no contingent commitments.

**B. Assessments**

**(1)** A liability for guaranty fund assessments is accrued after the insolvency has occurred. A liability for other assessments is accrued based upon historical trends. A liability for

guaranty fund and other assessments of \$16,921,599 and \$39,736,394 and an asset for related premium tax offsets of \$5,131,314 and \$2,373,912 are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus as of December 31, 2017 and 2016, respectively. The Company incurred assessment expense of \$(5,921,513) and \$37,302,367 for 2017 and 2016, respectively, which are included in insurance taxes, licenses, and fees, excluding federal income taxes in the statutory basis statements of operations. The Company takes credits on its premium tax returns based upon pre-determined guidance from the assessing state.

(2) Assets recognized from paid and accrued premium tax offsets and policy surcharges are presented below:

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$ 2,373,912
b. Decreases current year:	
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	9,241,060
c. Increases current year:	
Policy surcharges collected	-
Policy surcharges charged off	-
Premium tax offset applied	<u>11,998,462</u>
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	<u>\$ 5,131,314</u>

(3) Under state guaranty association laws, certain insurance companies can be assessed (up to prescribed limits) for certain obligations to the policyholders and claimants of impaired or insolvent insurance companies that write the same line or similar lines of business. In 2009, the Pennsylvania Insurance Commissioner placed long term care insurer Penn Treaty Network America Insurance Company and its subsidiary ("Penn Treaty"), neither of which is affiliated with the Company, in rehabilitation and petitioned the Commonwealth of Pennsylvania Court ("the Commonwealth Court") for approval to liquidate Penn Treaty. In 2012, the Commonwealth Court denied the liquidation petition and ordered the Insurance Commissioner to submit a rehabilitation plan. Plans for rehabilitation were subsequently not approved by the Commonwealth Court. In November 2016, the Commonwealth Court approved the request for liquidation orders with findings of insolvency. On March 1, 2017, the Commonwealth Court entered the written liquidation orders. As of December 31, 2016, the Company recorded an undiscounted liability of \$32,775,531 for its estimated share of the guaranty association assessment liability resulting from the Penn Treaty liquidation. Pursuant to the adoption of the revised accounting and disclosure requirements of SSAP No. 35R (see Note 1), as of March 31, 2017, the Company recorded \$26,899,762 and \$3,774,013 for its estimated share of the discounted guaranty association assessment liability and associated premium tax credit asset resulting from the Penn Treaty liquidation, which is included in taxes, licenses and fees due or accrued, excluding federal income taxes and guarantee funds receivable or on deposit, respectively, in the statutory basis financial statements. The net difference between the undiscounted and discounted amounts established for the guarantee association assessment liability and associated premium tax credit asset, net of tax is \$7,517,048 which is included as a change in accounting principle, net of tax, in the statutory basis statements of changes in capital and surplus (see Note 2). While the ultimate payment timing and associated recovery is currently unknown, the Company anticipates that the majority of the assessments will be paid within the next five years.

Assessments from insolvencies is presented below:

- a. Discount Rate Applied 3.5%  
 b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency;

Name of the Insolvency	<u>Guaranty Fund Assessment</u>		<u>Related Assets</u>	
	<u>Undiscounted</u>	<u>Discounted</u>	<u>Undiscounted</u>	<u>Discounted</u>
Penn Treaty	\$ 15,138,743	\$ 9,742,449	\$ 3,567,008	\$ 2,761,865

c. Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years of the Discounting Time Period for Payables and Recoverables by Insolvency;

Name of the Insolvency	Payables			Recoverables		
	Number of Jurisdictions	Range of Years	Weighted Average of Number of Years	Number of Jurisdictions	Range of Years	Weighted Average of Number of Years
Penn Treaty	39	1-22	10.8	39	4-24	10.3

**C. Gain Contingencies**

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

**D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits** — Not applicable.

**E. Joint and Several Liabilities** — Not applicable.

**F. All Other Contingencies**

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The ACA and the related federal and state regulations will continue to impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing the Company's liability in federal and state courts for coverage determinations and contract interpretation), or put the Company at risk for loss of business. In addition, the Company's statutory basis results of operations, financial condition, and cash flows could be materially adversely affected by such changes. The ACA may create new or expand existing opportunities for business growth, but due to its complexity, the long term impact of the ACA remains difficult to predict and is not yet fully known.

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters: involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company routinely evaluates the collectability of all receivable amounts included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

There are no assets that the Company considers to be impaired at December 31, 2017 and 2016, except as disclosed in Note 5 and Note 20.

**15. LEASES**

**A–B.** According to the Agreement (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the lease agreements are included as a component of the Company's management fee.

In 2017 and 2016, the amount of imputed rent relating to the Company's occupancy of its own buildings, which is included in both net investment income earned and general insurance

expenses in the statutory basis statements of operations, was \$1,349,978 and \$1,338,301, respectively.

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK**

(1–4) The Company does not hold any financial instruments with off-balance-sheet risk or have any concentrations of credit risk.

**17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

A–C. The Company did not participate in any transfer of receivables, financial assets, or wash sales.

**18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

A–C. The Company does not have any uninsured or partially insured accident and health plans.

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS**

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2017 and 2016.

**20. FAIR VALUE MEASUREMENT**

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

*Level 1*—Quoted (unadjusted) prices for identical assets in active markets.

*Level 2*—Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.

*Level 3*—Unobservable inputs that cannot be corroborated by observable market data.

Money-market funds activity is now included as a component of cash equivalents in 2017, whereas in 2016, money-market funds activity was included as a component of short-term investments. The amounts in the following disclosures and corresponding tables reflect this change in presentation.

The estimated fair values of bonds and short-term investments are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

**A. Fair Value**

**(1) Fair Value Measurements at Reporting Date**

The Company does not have any financial assets that are measured and reported at fair value in the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2017 and 2016. However, the Company does consider its investments in LIHTC investments as a Level 3 investment even though no market valuation was required as of December 31, 2017 and 2016. As there is no readily available market, these securities are recorded at book/adjusted carrying value and considered held to maturity as they will not be sold.

- (2)** The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.

The Company does consider its investments in LIHTC investments as a Level 3 investment as there is no readily available market. As a result these investments are recorded and reported at book/adjusted carrying value of \$13,551,364 and \$15,422,449 as of December 31, 2017 and 2016.

- (3)** Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the years ended December 31, 2017 or 2016.

- (4) Investments** — Fair values of debt securities are based on quoted market prices, where available. The Company obtains one price for each security primarily from a pricing service, which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, and, if necessary, makes adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark yields, credit spreads, default rates, prepayment speeds and non-binding broker quotes. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to prices reported by a secondary pricing source, such as its custodian, its investment consultant and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company's internal price verification procedures and reviews of fair value methodology documentation provided by independent pricing services have not historically resulted in adjustment in the prices obtained from the pricing service.

**LIHTC Investments** — The Company does consider its investments in LIHTC investments as a Level 3 investment even though no market valuation adjustment was required as of December 31, 2017 and 2016. As there is no readily available market, these securities are recorded and reported at book/adjusted carrying value and considered held to maturity as they will not be sold. Should any contractual breakage occur that jeopardizes the ability to receive the tax credits associated with these securities, impairments will be recognized. As of December 31, 2017, all of these investments are performing in accordance with their original contract terms.

- (5)** The Company has no derivative assets and liabilities to disclose.

**B. Fair Value Combination** — Not applicable.

**C. Aggregate Fair Value Hierarchy**

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2017 and 2016 is presented in the table below:

Types of Financial Investment	2017					Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	
U.S. government and agency securities	\$ 79,601,340	\$ 81,157,844	\$ 42,502,523	\$ 37,098,817	\$ -	\$ -
State and agency municipal securities	80,394,433	79,868,432	-	80,394,434	-	-
City and county municipal securities	64,636,415	64,515,779	-	64,636,415	-	-
Corporate debt securities (includes commercial paper)	171,604,400	171,733,699	16,138,494	155,465,906	-	-
Other invested assets	<u>13,551,364</u>	<u>13,551,364</u>	<u>-</u>	<u>-</u>	<u>13,551,364</u>	<u>-</u>
Total bonds, short-term investments, and other invested assets	<u>\$ 409,787,952</u>	<u>\$ 410,827,118</u>	<u>\$ 58,641,017</u>	<u>\$ 337,595,572</u>	<u>\$ 13,551,364</u>	<u>\$ -</u>

Types of Financial Investment	2016					Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	
U.S. government and agency securities	\$ 79,209,787	\$ 80,828,914	\$ 44,299,611	\$ 34,910,176	\$ -	\$ -
State and agency municipal securities	100,446,007	100,695,884	-	100,446,007	-	-
City and county municipal securities	70,174,542	70,785,687	-	70,174,542	-	-
Corporate debt securities (includes commercial paper)	122,220,381	122,725,941	-	122,220,381	-	-
Money-market funds	8,419,562	8,419,562	8,419,562	-	-	-
Other invested assets	<u>15,422,449</u>	<u>15,422,449</u>	<u>-</u>	<u>-</u>	<u>15,422,449</u>	<u>-</u>
Total bonds, short-term investments, and other invested assets	<u>\$ 395,892,728</u>	<u>\$ 398,878,437</u>	<u>\$ 52,719,173</u>	<u>\$ 327,751,106</u>	<u>\$ 15,422,449</u>	<u>\$ -</u>

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy tables above are U.S. Treasury securities of \$42,502,523 and \$44,299,611 as of December 31, 2017 and December 31, 2016, respectively.

Included as Level 2 in corporate debt securities in the fair value hierarchy tables above are commercial paper investments of \$1,737,719 and \$2,240,851 as of December 31, 2017 and December 31, 2016, respectively. The commercial paper investments reflected in the tables above are included in short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

**D. Not Practicable to Estimate Fair Value** — Not applicable.**21. OTHER ITEMS****A. Unusual or Infrequent Items**

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2017 and 2016.

**B. Troubled Debt Restructuring: Debtors**

The Company has no troubled debt restructurings as of December 31, 2017 and 2016.

**C. Other Disclosures**

The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments that are not derivative instruments.

**D. Business Interruption Insurance Recoveries**

The Company has not received any business interruption insurance recoveries during 2017 and 2016.

**E. State Transferable and Non-transferable Tax Credits**

The Company has no transferable or non-transferable state tax credits.

**F. Sub-Prime Mortgage-Related Risk Exposure**

- (1) The investment policy for the Company limits investments in loan-backed securities, which includes sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered have an NAIC designation of 1 or 2.
- (2) The Company has no direct exposure through investments in sub-prime mortgage loans.
- (3) The Company has no direct exposure through other investments.
- (4) The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.

**G. Retained Assets**

The Company does not have any retained asset accounts for beneficiaries.

**H. Insurance-Linked Securities Contracts**

As of December 31, 2017, the Company is not aware of any possible proceeds of insurance-linked securities.

**22. EVENTS SUBSEQUENT**

Subsequent events have been evaluated through February 27, 2018, which is the date these statutory basis financial statements were available for issuance.

**TYPE I – Recognized Subsequent Events:**

There are no events subsequent to December 31, 2017, that require recognition and disclosure.

**TYPE II — Non-Recognized Subsequent Events**

The Company is subject to the annual fee under Section 9010 of the ACA. The fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, of the year the fee is due. As of December 31, 2017, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2018, and estimates its portion of the annual health insurance industry fee payable on September 30, 2018 to be \$27,341,278. This amount has been apportioned out of unassigned surplus and is reflected as Section 9010 ACA subsequent fee year assessment in the statutory basis financial statements. In accordance with the 2017 HIF moratorium, no amounts were required to be apportioned out of unassigned surplus in 2016 (see Note 1). The Company's Authorized Control Level RBC ("ACL RBC") ratio was 415% as of December 31, 2017. Reporting the ACA assessment as a liability as of December 31, 2017 would not have triggered an RBC action level.

The table below presents information regarding the annual fee under Section 9010 of the ACA as of December 31, 2017 and 2016:

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	Yes	
B. ACA fee assessment payable for the upcoming year	\$ 27,341,278	\$ -
C. ACA fee assessment paid	-	26,018,575
D. Premium written subject to ACA 9010 assessment	1,283,407,293	-
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 30)	200,118,669	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 30 minus 22B above)	172,777,391	
G. Authorized Control Level (Five-Year Historical Line 31)	48,257,041	
H. Would reporting the ACA assessment as of December 31, 2017, have triggered an RBC action level (YES/NO)?	No	

There are no other events subsequent to December 31, 2017 that require disclosure.

**23. REINSURANCE**

**Reinsurance Agreements**—In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured.

The Company is subject to the reinsurance provisions pursuant to the ACA for compliant individual policies (see Note 24).

The Company cedes 100% of the total risk on individual life policies, except group life and term life rider. The ceding commission, net of tax, generated from entering into this agreement was recorded directly to surplus in 2005. Per SSAP No. 61, *Life, Deposit-Type and Accident and Health Reinsurance*, the net ceding commission is to be amortized back into income with a corresponding decrease to surplus. The rate of amortization is based upon the Company’s projected income on that block of business had it not entered into the transaction. The impact of this treatment is to increase net income and have no effect on surplus.

For accident and health and disability policies, the Company has established various limits of coverage it will retain on any one policyholder and cedes the remainder of such coverage.

One reinsurer accounted for 99% of the Company’s December 31, 2017 and 2016, ceded reserves for life and accident and health insurance. The Company remains obligated for amounts ceded in the event that reinsurers do not meet their obligations.

The effect of external reinsurance agreements outlined above on premiums for life and accident and health contracts—net and disability benefits and benefits under accident and health insurance contracts is presented below:

	2017	2016
Premiums for life and accident and health contracts:		
Direct	\$ 1,366,629,672	\$ 1,386,110,340
Ceded:		
Nonaffiliate	(28,526,254)	(31,877,913)
	<u>\$ 1,338,103,418</u>	<u>\$ 1,354,232,427</u>
Premiums for life and accident and health contracts—net		
Disability benefits and benefits under accident and health insurance contracts:		
Direct	\$ 959,618,980	\$ 968,301,428
Ceded:		
Nonaffiliate	(841,599)	(1,309,717)
	<u>\$ 958,777,381</u>	<u>\$ 966,991,711</u>
Disability benefits and benefits under accident and health insurance contracts—net		

The Company recognized reinsurance recoveries related to external reinsurance agreements of \$1,942,138 and \$2,730,425 in 2017 and 2016, respectively, which are netted against disability benefits and benefits under accident and health insurance contracts—net in the statutory basis statements of operations. In addition, reinsurance recoverables related to external reinsurance agreements of \$322,819 and \$1,372,863 for paid losses are recorded as amounts recoverable from reinsurers and \$0 and \$50,495 for unpaid losses are recorded as a reduction to contract claims for life and accident and health in 2017 and 2016, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

**A. Ceded Reinsurance Report**

**Section 1 — General Interrogatories**

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( )            No (X)

(2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or any other person not primarily engaged in the insurance business?

Yes ( )            No (X)

**Section 2 — Ceded Reinsurance Report—Part A**

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes ( )      No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( )      No (X)

**Section 3 — Ceded Reinsurance Report—Part B**

- (1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2017.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( )      No (X)

**B. Uncollectible Reinsurance** — During 2017 and 2016, there were no uncollectible reinsurance recoverables.

**C. Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2017 or 2016.

**D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation** — Not applicable.

**E–G. Affiliated Captive Reinsurers** — Not applicable.

**24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

- A.** The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.
- B.** Estimated accrued retrospective premiums due from the Company are recorded in provision for experience rating refunds in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to premiums for life and accident and health contracts—net in the statutory basis statements of operations.
- C.** Pursuant to the ACA, the Company’s commercial business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the commercial lines of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the commercial lines of business subject to the retrospectively rated features was \$938,473,316 and \$1,057,447,222, representing 70% and 77% of total direct premiums written as of December 31, 2017 and 2016, respectively.

The Company established a liability for estimated premium refunds in states in which “file and use” rates are used. Regulatory requirements mandate premium refunds be made annually when credible experience in a specific state is below the minimum loss ratio mandated by that state. The amount of premiums for other life and accident and health contracts written by the Company subject to experience rating refunds was \$0 and \$7,634,903 representing 0.0% and 0.6% of total premiums for life and accident and health contracts, as of December 31, 2017 and 2016, respectively.

- D. The Company does not have Medicare business subject to specific minimum loss ratio requirements as of December 31, 2017 and 2016. The Company is required to maintain a specific minimum loss ratio on the comprehensive commercial line of business.

The following table discloses the minimum medical loss ratio rebate liability which is included in provision for experience rating refunds in the statutory basis statements of admitted assets, liabilities, and capital and surplus for the years ended December 31, 2017 and 2016:

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior reporting year					
(1) Medical loss ratio rebates incurred	\$ 3,572,361	\$ -	\$ -	\$ -	\$ 3,572,361
(2) Medical loss ratio rebates paid	10,279,464	-	-	-	10,279,464
(3) Medical loss rebates unpaid	5,579,105	-	-	-	5,579,105
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	5,579,105
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	5,150,810	-	-	-	5,150,810
(8) Medical loss ratio rebates paid	6,795,551	-	-	-	6,795,551
(9) Medical loss rebates unpaid	3,934,364	-	-	-	3,934,364
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	3,934,364

**E. Risk-Sharing Provisions of the Affordable Care Act**

- (1) The Company has accident and health insurance premiums in 2017 and 2016 subject to the risk-sharing provisions of the ACA.

The ACA imposes fees and premium stabilization provisions on health insurance issuers offering comprehensive commercial health insurance. The three premium stabilization programs are commonly referred to as the 3Rs—risk adjustment, reinsurance, and risk corridor.

**Risk Adjustment** — The permanent risk adjustment program, designed to mitigate the potential impact of adverse selection and provide stability for health insurance issuers, applies to all non-grandfathered plans not subject to transitional relief in the individual and small group markets both inside and outside of the insurance exchanges. Premium adjustments pursuant to the risk adjustment program are accounted for as premium subject to redetermination and user fees are accounted for as assessments.

**Reinsurance** — The transitional reinsurance program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations. The transitional reinsurance program was effective from 2014 through 2016 and applied to all issuers of major medical commercial products and third-party administrators. Contributions attributable to enrollees in the ACA compliant individual plans, including program administrative costs, were accounted for as ceded premium and payments received were accounted for as ceded benefit recoveries. The portion of the individual contributions earmarked for the U.S. Treasury was accounted for as an assessment. Contributions made for enrollees in fully insured plans other than the ACA compliant individual plans, including program administrative costs and payments to the U.S. Treasury, were treated as assessments.

**Risk Corridors** — The temporary risk corridors program, designed to provide some aggregate protection against variability for issuers in the individual and small group markets during the period 2014 through 2016, applied to Qualified Health Plans in the individual and small group markets both inside and outside of the insurance exchanges. Premium adjustments pursuant to the risk corridors program were accounted for as premium adjustments for retrospectively rated contracts.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

(2) The following table presents the current year impact of risk-sharing provisions of the ACA on assets, liabilities and operations:

<b>a. Permanent ACA Risk Adjustment Program</b>	<b>December 31, 2017</b>
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ 1,485,282
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	3,806
3. Premium adjustments payable due to ACA Risk Adjustment	1,595,485
Operations (revenue & expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	(545,316)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	3,730
<b>b. Transitional ACA Reinsurance Program</b>	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ 322,819
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liab)	-
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	-
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance—not reported as ceded premium	-
5. Ceded reinsurance premiums payable due to ACA Reinsurance	-
6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance	-
Operations (revenue & expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	-
8. Reinsurance recoveries (income statement) due to ACA reinsurance payments or expected payments	841,598
9. ACA Reinsurance contributions—not reported as ceded premium	-
<b>c. Temporary ACA Risk Corridors Program</b>	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ -
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	-
Operations (revenue & expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	-
4. Effect of ACA Risk Corridors on change in reserves for rate credits	-

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

(3) The following table is a rollforward of the prior year ACA risk-sharing provisions for asset and liability balances, along with reasons for adjustments to prior year balances:

	Accrued During the Prior Year on Business Written before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	Receivable	(Payable)	Receivable	(Payable)	5	6	7	8		9	10
<b>a. Permanent ACA Risk Adjustment Program</b>											
1. Premium Adjustment Receivable	\$ 96,124	\$ -	\$ 44,653	\$ -	\$ 51,471	\$ -	\$ (51,471)	\$ -	A	\$ -	\$ -
2. Premium Adjustment (Payable)	-	(4,286,068)	-	(4,669,709)	-	383,641	-	(383,641)	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	96,124	(4,286,068)	44,653	(4,669,709)	51,471	383,641	(51,471)	(383,641)		-	-
<b>b. Transitional ACA Reinsurance Program</b>											
1. Amounts recoverable for claims paid	1,372,863	-	1,942,138	-	(569,275)	-	892,094	-	C	322,819	-
2. Amounts recoverable for claims unpaid (contra liability)	50,495	-	-	-	50,495	-	(50,495)	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance—not reported as ceded premium	-	(6,576,572)	-	(6,516,475)	-	(60,097)	-	60,097	F	-	-
5. Ceded reinsurance premiums payable	-	(98,332)	-	(158,429)	-	60,097	-	(60,097)	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	1,423,358	(6,674,904)	1,942,138	(6,674,904)	(518,780)	-	841,599	-		322,819	-
<b>c. Temporary ACA Risk Corridors Program</b>											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-	-
3. Subtotal ACA Risk Corridors Program	-	-	-	-	-	-	-	-		-	-
<b>d. Total for ACA Risk-Sharing Provisions</b>	<b>\$ 1,519,482</b>	<b>\$ (10,960,972)</b>	<b>\$ 1,986,791</b>	<b>\$ (11,344,613)</b>	<b>\$(467,309)</b>	<b>\$ 383,641</b>	<b>\$ 790,128</b>	<b>\$ (383,641)</b>		<b>\$ 322,819</b>	<b>\$ -</b>

**Explanation of Adjustments**

**A.** The risk adjustment receivable as of December 31, 2017 was adjusted based on the final CMS Summary Report on Transitional Reinsurance Payments and the Permanent Risk Adjustment Transfers for the 2016 Benefit Year. The risk adjustment receivable as of December 31, 2016 utilized paid claims through October 31, 2016. The adjustment to the December receivable balance reflects the true up to final results for the 2016 Benefit Year. Additionally, the published risk adjustment receivable was reduced by the estimated impact of the funds CMS is not expected to collect due to an insolvent carrier in accordance with the CMS published Frequently Asked Questions ("FAQ") on August 14, 2015. Within the FAQ CMS communicated that benefit year risk adjustment payables within a risk pool will be adjusted in a pro rata basis to the extent that CMS is unable to fully collect risk adjustment funds from all carriers.

**B.** The risk adjustment payable as of December 31, 2017 was adjusted based on the final CMS Summary Report on Transitional Reinsurance Payments and the Permanent Risk Adjustment Transfers for the 2016 Benefit Year. The risk adjustment payable as of December 31, 2016 utilized paid claims through October 31, 2016. The adjustment to the December payable balance reflects the true up to final results for the 2016 Benefit Year.

**C.** The reinsurance receivable as of December 31, 2017 was adjusted based on the final CMS Summary Report on Transitional Reinsurance Payments and the Permanent Risk Adjustment Transfers for the 2016 Benefit Year. The adjustment to the amounts recoverable for paid claims was driven by the true up to the HHS Reinsurance Program coinsurance rate of 52.9%.

**D.** The adjustment to the amounts recoverable for claims unpaid reflects the termination of the reinsurance program as all recovery amounts are now known.

**E.** N/A

**F.** Reclassification of amounts reported on Line 5 as of prior year end.

**G.** Reclassification of amounts reported on Line 4 as of prior year end.

**H.** N/A

**I.** N/A

**J.** N/A

(4) The Company does not have any risk corridor receivables or payables to present.

(5) The Company does not have any risk corridor receivables to present.

**25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

- A.** This disclosure only relates to accident and health contracts. The reserve for life contracts and annuity life contracts are included in a separate disclosure (see Note 31). The disclosure for loss adjustment expenses is included in Note 35.

Changes in estimates related to the prior year incurred claims are included in disability benefits and benefits under accident and health insurance contracts—net in the current year in the statutory basis statements of operations. The following table summarizes changes in aggregate reserves for accident and health contracts and contract claims for accident and health policies for the years ended December 31, 2017 and 2016:

	2017	2016
Unpaid claim reserves for accident and health and contract claims for accident and health policies at January 1	<u>\$ 163,585,796</u>	<u>\$ 169,556,511</u>
Incurred benefits related to:		
Current year	975,029,407	976,844,660
Prior years	<u>(16,132,032)</u>	<u>(10,182,291)</u>
Total incurred	<u>958,897,375</u>	<u>966,662,369</u>
Paid claims related to:		
Current year	820,229,890	813,091,999
Prior years	<u>150,151,720</u>	<u>159,541,085</u>
Total paid	<u>970,381,610</u>	<u>972,633,084</u>
Unpaid claim reserves for accident and health and contract claims for accident and health policies at December 31	152,101,561	163,585,796
Unearned premium reserve	49,907,544	52,384,496
Active life reserves	8,955,522	9,256,317
Section 1343 ACA risk adjustment payable	<u>1,595,485</u>	<u>4,286,068</u>
Total aggregate reserves for accident and health and contract claims for accident and health policies	<u>\$ 212,560,112</u>	<u>\$ 229,512,677</u>

Actual claims incurred in 2017 related to prior years were lower than the contract claims and aggregate reserves for accident and health contracts at December 31, 2016 by \$16,132,032. Actual claims incurred in 2016 related to prior years were lower than the contract claims and aggregate reserves for accident and health contracts at December 31, 2015 by \$10,182,291. The favorable reserve development resulted primarily from the favorable settlement or outcome of certain claims and ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding medical inflation trends, changes in utilization of health care services, changes in claims submission or payment patterns, and other relevant factors.

- B.** The Company did not make any significant changes in methodologies and assumptions used in the calculation of aggregate reserve for accident and health contracts and contract claims for accident and health policies in 2017 or 2016.

**26. INTERCOMPANY POOLING ARRANGEMENTS**

**A–G.** The Company did not have any intercompany pooling arrangements in 2017 or 2016.

**27. STRUCTURED SETTLEMENTS**

**A–B.** The Company did not have structured settlements in 2017 or 2016.

**28. HEALTH CARE RECEIVABLES**

- A.** Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted and excluded all pharmacy rebates receivable that do not meet the admissibility criteria of SSAP No. 84, *Certain Health Care Receivables and Receivables under Government Insured Plans* ("SSAP No. 84") from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmaceutical management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria of SSAP No. 84, the pharmacy rebate transaction history is summarized as follows:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days after Billing
12/31/2017	\$ 5,125,611	\$ -	\$ -	\$ -	\$ -
9/30/2017	5,122,263	4,455,172	2,329,784	-	-
6/30/2017	5,408,044	5,097,009	1,750,188	2,568,441	-
3/31/2017	5,204,880	4,998,532	913,022	3,267,290	604,804
12/31/2016	6,222,303	5,806,485	2,410,571	2,534,884	733,546
9/30/2016	6,487,061	5,769,653	1,795,422	3,040,808	815,183
6/30/2016	6,010,101	5,462,620	3,210,399	1,910,981	239,639
3/31/2016	5,095,523	4,847,025	1,535,844	3,060,866	183,138
12/31/2015	5,496,869	5,265,016	2,947,509	2,168,307	82,749
9/30/2015	5,328,348	5,033,518	2,884,750	1,487,229	611,582
6/30/2015	5,674,384	5,344,253	2,740,941	1,888,350	672,107
3/31/2015	5,494,275	5,045,220	2,719,305	1,428,999	862,527

Of the amount reported as health care receivables \$6,773,917 and \$8,450,591 relates to pharmacy rebates receivable as of December 31, 2017 and 2016, respectively. This decrease is primarily due to decreased membership along with the change in generic/name brand mix.

B. The Company does not have any risk-sharing receivables.

**29. PARTICIPATING POLICIES**

The Company did not have any participating contracts in 2017 or 2016.

**30. PREMIUM DEFICIENCY RESERVES**

The Company has not recorded any premium deficiency reserves as of December 31, 2017 or 2016. The analysis of premium deficiency reserves was completed as of December 31, 2017 and 2016. The Company did consider anticipated investment income when calculating the premium deficiency reserves.

The following table summarizes the Company's premium deficiency reserves as of December 31, 2017 and 2016:

	<b>2017</b>
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	<u>12/31/2017</u>
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	<b>2016</b>
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	<u>12/31/2016</u>
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

**31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS**

- (1) The Company waives deduction of deferred fractional premiums upon death of an insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
- (2) Extra premiums are charged for substandard lives for life policies, plus the gross premium for a rated age. Mid-terminal reserves are determined by computing the regular mid-terminal reserve for the plan at the rated age and, in addition, holding one-half of the extra premium charge for the year.
- (3) The Company had no of insurance in-force at December 31, 2017, for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Indiana. Reserves to cover the above insurance totaled the gross amount of \$0 at December 31, 2017.
- (4) Tabular Interest has been determined by formulas as prescribed by the NAIC.

The Tabular Less Actual Reserve Released has been determined by formula as prescribed by the NAIC.

Tabular Cost has been determined by a formula as prescribed by the NAIC.

- (5) Tabular interest on funds not involving life contingencies is determined by a formula as prescribed by the NAIC.
- (6) The Company made no other changes to the reserving methodology during 2017.

Pursuant to an indemnity reinsurance agreement the Company cedes all life and annuity business, excluding group life and term life rider business. A ceding commission of \$44,430,417, net of tax, was received by the Company of which \$1,799,190, net of tax, was recognized as ceded commissions in the statutory basis statements of operations during both 2017 and 2016.

The valuation method used for life and annuity policies and contracts at December 31, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
1958 CSO ALB 3% CRVM	\$ 1,902,539	\$ 2,070,615
1958 CSO ALB 4 1/2% CRVM	18,131,684	19,396,797
1971 IAM 3 1/2 — 8 1/2%	419,315,920	451,993,098
1983 IAM 5 1/4 — 11%	889,477	986,555
1980 CSO 4 1/2 — 5 1/2% CRVM	1,208,164,680	1,222,910,149
Other	32,980,006	31,277,392
Reinsurance credit	<u>(1,680,447,187)</u>	<u>(1,727,963,990)</u>
Total aggregate reserves for life contracts and contract claims for life contracts	<u>\$ 937,119</u>	<u>\$ 670,616</u>

Policy reserves have been reduced at December 31, 2017 and 2016, by \$1,673,874,326 and \$1,724,575,584, respectively, for reinsurance ceded (including reinsurance on annuity and deposit fund liabilities). Claim liabilities, which are included in contract claims - life, have been reduced at December 31, 2017 and 2016, by \$8,832,344 and \$6,862,026, respectively, for reinsurance ceded.

The Company recognized reinsurance recoveries of \$97,061,941 and \$94,283,985 in 2017 and 2016, respectively, which are netted against death benefits in the statutory basis statements of operations.

**32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT-TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS**

**A–E.** At December 31, 2017 and 2016, total annuity actuarial reserves, deposit-type contract funds, and other liabilities without life or disability contingencies by withdrawal characteristics are as follows:

	<b>2017</b>				<b>% of Total</b>
	<b>General Account</b>	<b>Separate Account with Guarantees</b>	<b>Separate Account Nonguaranteed</b>	<b>Total</b>	
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	\$ 5,247,475	\$ -	\$ -	\$ 5,247,475	1.2%
(2) At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
(3) At fair value	-	-	-	-	0.0%
(4) Total with adjustment or at fair value (total of 1 through 3)	5,247,475	-	-	5,247,475	1.2%
(5) At book value without adjustment (minimal or no charge or adjustment)	411,682,927	-	-	411,682,927	97.4%
B. Not subject to discretionary withdrawal	5,606,141	-	-	5,606,141	1.3%
C. Total (gross: direct + assumed)	422,536,543	-	-	422,536,543	100.0%
D. Reinsurance ceded	422,536,543	-	-	422,536,543	
E. Total (net) (C) - (D)	\$ -	\$ -	\$ -	\$ -	

	<b>2016</b>				<b>% of Total</b>
	<b>General Account</b>	<b>Separate Account with Guarantees</b>	<b>Separate Account Nonguaranteed</b>	<b>Total</b>	
A. Subject to discretionary withdrawal:					
(1) With fair value adjustment	\$ 5,516,695	\$ -	\$ -	\$ 5,516,695	1.2%
(2) At book value less current surrender charge of 5% or more	-	-	-	-	0.0%
(3) At fair value	-	-	-	-	0.0%
(4) Total with adjustment or at fair value (total of 1 through 3)	5,516,695	-	-	5,516,695	1.2%
(5) At book value without adjustment (minimal or no charge or adjustment)	448,148,857	-	-	448,148,857	98.2%
B. Not subject to discretionary withdrawal	2,862,357	-	-	2,862,357	0.6%
C. Total (gross: direct + assumed)	456,527,909	-	-	456,527,909	100.0%
D. Reinsurance ceded	456,527,909	-	-	456,527,909	
E. Total (net) (C) - (D)	\$ -	\$ -	\$ -	\$ -	

\* Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

**F.** A reconciliation of annuity reserves and deposit fund liabilities to Aggregate Reserves for Life Policies and Contracts Exhibit and Deposit Funds and Other Liabilities without Life or Disability Contingencies Exhibit, of the Life, Accident and Health Annual Statement and the corresponding lines in the Separate Accounts Statement, are as follows:

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

	2017	2016
Life Accident & Health Annual Statement		
1. Exhibit 5, Annuities Section, Total (net)	\$ -	\$ -
2. Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	-	-
3. Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	<u>-</u>	<u>-</u>
4. Subtotal	<u>-</u>	<u>-</u>
Separate Accounts Annual Statement		
5. Exhibit 3, Line 0299999, Column 2	-	-
6. Exhibit 3, Line 0399999, Column 2	-	-
7. Policyholder dividend and coupon accumulations	-	-
8. Policyholder premiums	-	-
9. Guaranteed interest contracts	-	-
10. Other contract deposit funds	<u>-</u>	<u>-</u>
11. Subtotal	<u>-</u>	<u>-</u>
12. Combined Total	<u>\$ -</u>	<u>\$ -</u>

**33. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED**

- A. Deferred and uncollected group life insurance premiums, gross and net of loading, were as follows:

Type	<u>2017</u>	
	Gross	Net of Loading
(1) Industrial	\$ -	\$ -
(2) Ordinary new business	9,582	7,985
(3) Ordinary renewal	3,419	3,292
(4) Credit life	-	-
(5) Group life	7,035	6,831
(6) Group annuity	<u>-</u>	<u>-</u>
(7) Totals	<u>\$ 20,036</u>	<u>\$ 18,108</u>

Type	<u>2016</u>	
	Gross	Net of Loading
(1) Industrial	\$ -	\$ -
(2) Ordinary new business	3,431	2,859
(3) Ordinary renewal	1,520	1,464
(4) Credit life	-	-
(5) Group life	10,406	10,104
(6) Group annuity	<u>-</u>	<u>-</u>
(7) Totals	<u>\$ 15,357</u>	<u>\$ 14,427</u>

**34. SEPARATE ACCOUNTS**

- A-C. The Company does not have separate account business as of December 31, 2017 and 2016.

**35. LOSS/CLAIM ADJUSTMENT EXPENSES**

- A.** The following table summarizes changes in unpaid CAE for the years ended December 31, 2017 and 2016, which are included in general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus:

	<b>2017</b>	<b>2016</b>
Unpaid claims adjustment expenses—January 1	\$ 3,033,959	\$ 3,424,004
Incurred claims adjustment expenses related to:		
Current year	17,931,303	18,117,142
Prior years	<u>(322,207)</u>	<u>(468,155)</u>
Total incurred	<u>17,609,096</u>	<u>17,648,987</u>
Paid claims adjustment expenses related to:		
Current year	15,084,458	15,080,088
Prior years	<u>2,761,369</u>	<u>2,958,944</u>
Total paid	<u>17,845,827</u>	<u>18,039,032</u>
Unpaid claims adjustment expenses—December 31	<u>\$ 2,797,228</u>	<u>\$ 3,033,959</u>

- B.** The Company did not make any significant changes in methodologies and assumptions used in the calculation of unpaid CAE in 2017 or 2016.

Due to the type of business being written with these licenses, the Company has no salvage. As of December 31, 2017 and 2016, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of incurred but not yet reported claims.

\* \* \* \* \*

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
If yes, complete Schedule Y, Parts 1, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? ..... Indiana
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2017
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2012
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 04/09/2014
- 3.4 By what department or departments?  
Indiana .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ X ] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? ..... Yes [ ] No [ X ]  
4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ ] No [ X ]  
4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---------------------|------------------------|------------------------|
|                     |                        |                        |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information:  
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ X ] No [ ]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Optum Bank, Inc. ....	Salt Lake City, UT .....			YES	

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Baker Tilly Virchow Krause LLP, Minneapolis, MN
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain  
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Timothy Allen Luker, FSA MAAA, Director, Actuarial, UnitedHealth Group, 3100 AMS Boulevard, Green Bay, WI 54313 .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
- 12.11 Name of real estate holding company .....
- 12.12 Number of parcels involved .....
- 12.13 Total book/adjusted carrying value ..... \$ .....
- 12.2 If, yes provide explanation:  
.....
- 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ X ] No [ ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
Non-material updates to existing code. ....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

## GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

### BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [ X ] No [ ]

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |    |  |
|---|----|--|
| 20.11 To directors or other officers              | \$ |  |
| 20.12 To stockholders not officers                | \$ |  |
| 20.13 Trustees, supreme or grand (Fraternal Only) | \$ |  |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |    |  |
|---|----|--|
| 20.21 To directors or other officers              | \$ |  |
| 20.22 To stockholders not officers                | \$ |  |
| 20.23 Trustees, supreme or grand (Fraternal Only) | \$ |  |
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- |                            |    |  |
|----------------------------|----|--|
| 21.21 Rented from others   | \$ |  |
| 21.22 Borrowed from others | \$ |  |
| 21.23 Leased from others   | \$ |  |
| 21.24 Other                | \$ |  |
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ X ] No [ ]
- 22.2 If answer is yes:
- |  |    |         |
|--|----|---------|
| 22.21 Amount paid as losses or risk adjustment | \$ | 496,139 |
| 22.22 Amount paid as expenses                  | \$ | 308,941 |
| 22.23 Other amounts paid                       | \$ | 0       |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

### INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ X ] No [ ]
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**GENERAL INTERROGATORIES**

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....	0
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....	0
24.103 Total payable for securities lending reported on the liability page .....	\$ .....	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) ..... Yes  No

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements .....	\$ .....	0
25.22 Subject to reverse repurchase agreements .....	\$ .....	0
25.23 Subject to dollar repurchase agreements .....	\$ .....	0
25.24 Subject to reverse dollar repurchase agreements .....	\$ .....	0
25.25 Placed under option agreements .....	\$ .....	0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock .....	\$ .....	0
25.27 FHLB Capital Stock .....	\$ .....	0
25.28 On deposit with states .....	\$ .....	4,330,295
25.29 On deposit with other regulatory bodies .....	\$ .....	0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB .....	\$ .....	0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements .....	\$ .....	0
25.32 Other .....	\$ .....	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes  No

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No  N/A   
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? ..... Yes  No

27.2 If yes, state the amount thereof at December 31 of the current year. .... \$ .....

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes  No

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon .....	Global Liquidity Services, 1 Wall St, 14th Floor, New York NY 10286 .....
Northern Trust .....	50 S. LaSalle, Chicago, IL 60675 .....

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
Not applicable. ....		

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? ..... Yes  No

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

**GENERAL INTERROGATORIES**

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Internally Managed .....	I.....
JPMorgan Investment Management Inc. ....	U.....
Standish Mellon Asset Management Company .....	U.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? ..... Yes  No

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? ..... Yes  No

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107038 .....	JPMorgan Investment Management Inc. ....	549300W78QHV4XMM6K69 .....	SEC .....	NO.....
113972 .....	Standish Mellon Asset Management Company .....	549300W78QHV4XMM6K69 .....	SEC .....	NO.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes  No

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	399,775,049	398,735,883	(1,039,166)
30.2 Preferred stocks .....	0		0
30.3 Totals	399,775,049	398,735,883	(1,039,166)

30.4 Describe the sources or methods utilized in determining the fair values:

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from Hub which is an external data sources vendor. Hub utilizes various pricing sources.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes  No

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes  No

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes  No

32.2 If no, list exceptions:  
.....

## GENERAL INTERROGATORIES

33. By self-designating 5\*GI securities, the reporting entity is certifying the following elements of each self-designated 5\*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.
  - b. Issuer or obligor is current on all contracted interest and principal payments.
  - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5\*GI securities? ..... Yes [ ] No [ X ]

### OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....0

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

35.1 Amount of payments for legal expenses, if any? .....\$ .....0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

36.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

# GENERAL INTERROGATORIES

## PART 2 - LIFE INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ X ] No [ ]

1.2 If yes, indicate premium earned on U.S. business only ..... \$ 20,672,620

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ 0  
 1.31 Reason for excluding:  
 .....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .... \$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. .... \$ 14,521,503

1.6 Individual policies:

	Most current three years:	
1.61 Total premium earned .....	\$	0
1.62 Total incurred claims .....	\$	0
1.63 Number of covered lives .....		0
	All years prior to most current three years	
1.64 Total premium earned .....	\$	20,672,620
1.65 Total incurred claims .....	\$	14,521,503
1.66 Number of covered lives .....		7,085

1.7 Group policies:

	Most current three years:	
1.71 Total premium earned .....	\$	0
1.72 Total incurred claims .....	\$	0
1.73 Number of covered lives .....		0
	All years prior to most current three years	
1.74 Total premium earned .....	\$	0
1.75 Total incurred claims .....	\$	0
1.76 Number of covered lives .....		0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	1,315,960,725	1,343,723,860
2.2 Premium Denominator .....	1,338,103,418	1,354,232,427
2.3 Premium Ratio (2.1/2.2) .....	0.983	0.992
2.4 Reserve Numerator .....	199,317,125	213,247,384
2.5 Reserve Denominator .....	213,497,231	230,183,293
2.6 Reserve Ratio (2.4/2.5) .....	0.934	0.926

3.1 Does this reporting entity have Separate Accounts? ..... Yes [ ] No [ X ]

3.2 If yes, has a Separate Accounts Statement been filed with this Department? ..... Yes [ ] No [ ] N/A [ X ]

3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? ..... \$

3.4 State the authority under which Separate Accounts are maintained:  
 .....

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? ..... Yes [ ] No [ ]

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? ..... Yes [ ] No [ ]

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)"? .....

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? ..... Yes [ X ] No [ ]

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid .....	\$	108,901,878
4.22 Received .....	\$	

5.1 Does the reporting entity write any guaranteed interest contracts? ..... Yes [ ] No [ X ]

5.2 If yes, what amount pertaining to these lines is included in:

5.21 Page 3, Line 1 .....	\$	
5.22 Page 4, Line 1 .....	\$	

6. FOR STOCK REPORTING ENTITIES ONLY:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: ..... \$ 14,162,016

7. Total dividends paid stockholders since organization of the reporting entity:

7.11 Cash .....	\$	2,229,724,559
7.12 Stock .....	\$	15,968,954

**GENERAL INTERROGATORIES**

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: ..... Yes [ ] No [ X ]  
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? ..... Yes [ ] No [ X ]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium .....			.0
8.32 Paid claims .....			.0
8.33 Claim liability and reserve (beginning of year) .....			.0
8.34 Claim liability and reserve (end of year) .....			.0
8.35 Incurred claims .....	.0	.0	.0

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

	Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 - 99,999	.....	.....
8.43	\$100,000 - 249,999	.....	.....
8.44	\$250,000 - 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? ..... \$ .....

9. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

9.1 Amount of loss reserves established by these annuities during the current year: ..... \$ .....

9.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)
P&C Insurance Company And Location	

10.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

10.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$ .....

10.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

10.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$ .....

## GENERAL INTERROGATORIES

11.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [  ] No [  ] N/A [  ]

11.2 If the answer to 11.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

12. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

12.1 Direct Premium Written .....\$ .....27,172,671  
 12.2 Total Incurred Claims .....\$ .....72,252,371  
 12.3 Number of Covered Lives .....34,750

*Ordinary Life Insurance Includes
Term (whether full underwriting,limited underwriting,jet issue,"short form app")
Whole Life (whether full underwriting,limited underwriting,jet issue,"short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**FIVE-YEAR HISTORICAL DATA**

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.  
\$000 omitted for amounts of life insurance

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>Life Insurance in Force</b> (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4) .....	1,617,110	1,700,501	1,765,695	1,859,418	2,130,536
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) .....	3,443,465	3,517,363	3,725,295	4,005,584	4,259,544
3. Credit life (Line 21, Col. 6) .....	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4) .....	431,401	516,005	681,765	986,321	1,584,566
5. Industrial (Line 21, Col. 2) .....	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4) .....	0	0	0	0	0
7. Total (Line 21, Col. 10) .....	5,491,976	5,733,869	6,172,755	6,851,323	7,974,645
7.1 Total in force for which VM-20 deterministic/stochastic reserves are calculated .....		XXX	XXX	XXX	XXX
<b>New Business Issued</b> (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2) .....					
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2) .....	292,380	75,500	0	0	105,300
10. Credit life (Line 2, Col. 6) .....	0	0	0	0	0
11. Group (Line 2, Col. 9) .....	0	0	0	0	859,462
12. Industrial (Line 2, Col. 2) .....	0	0	0	0	0
13. Total (Line 2, Col. 10) .....	292,380	75,500	0	0	964,762
<b>Premium Income - Lines of Business</b> (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2) .....	0	0	0	0	0
15.1 Ordinary-life insurance (Line 20.4, Col. 3) .....	701,116	155,856	98,638	205,966	218,442
15.2 Ordinary-individual annuities (Line 20.4, Col. 4) .....	0	0	0	0	0
16. Credit life (group and individual) (Line 20.4, Col. 5) .....	0	0	0	0	0
17.1 Group life insurance (Line 20.4, Col. 6) .....	1,149,159	1,334,673	1,258,616	1,897,717	2,070,371
17.2 Group annuities (Line 20.4, Col. 7) .....	0	0	0	0	0
18.1 A & H-group (Line 20.4, Col. 8) .....	1,112,737,202	1,167,768,860	1,281,402,227	1,562,647,414	1,700,974,088
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9) .....	0	0	0	0	0
18.3 A & H-other (Line 20.4, Col. 10) .....	223,515,941	184,973,039	218,525,783	285,876,117	317,327,184
19. Aggregate of all other lines of business (Line 20.4, Col. 11) .....	0	0	0	0	0
20. Total .....	1,338,103,418	1,354,232,427	1,501,285,264	1,850,627,213	2,020,590,085
<b>Balance Sheet (Pages 2 &amp; 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3) .....	499,171,779	529,488,173	635,565,515	718,208,451	759,785,315
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) .....	300,544,678	359,437,760	367,539,021	405,025,824	466,290,127
23. Aggregate life reserves (Page 3, Line 1) .....	101,864	61,259	56,371	50,631	75,941
23.1 Excess VM-20 deterministic/stochastic reserve over NPR related to Line 7.1 .....		XXX	XXX	XXX	XXX
24. Aggregate A & H reserves (Page 3, Line 2) .....	63,150,534	68,649,789	75,477,817	84,122,300	103,632,834
25. Deposit-type contract funds (Page 3, Line 3) .....	0	0	0	0	0
26. Asset valuation reserve (Page 3, Line 24.01) .....	1,491,568	1,501,545	2,097,471	2,142,677	1,899,581
27. Capital (Page 3, Lines 29 and 30) .....	3,262,704	3,262,704	3,262,704	3,262,704	3,262,704
28. Surplus (Page 3, Line 37) .....	195,364,397	166,787,709	264,763,790	309,919,923	290,232,484
<b>Cash Flow (Page 5)</b>					
29. Net Cash from Operations (Line 11) .....	45,527,942	53,386,756	44,673,659	54,457,480	113,024,648
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital .....	200,118,669	171,551,958	270,123,965	315,325,304	295,394,769
31. Authorized control level risk - based capital .....	48,257,041	48,157,273	51,714,452	61,690,621	71,136,905
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1) .....	87.3	89.3	91.0	86.6	85.7
33. Stocks (Lines 2.1 and 2.2) .....	0.0	0.0	0.0	0.0	0.0
34. Mortgage loans on real estate(Lines 3.1 and 3.2 ) .....	0.0	0.0	0.0	0.0	0.0
35. Real estate (Lines 4.1, 4.2 and 4.3) .....	0.6	0.7	0.5	0.5	0.5
36. Cash, cash equivalents and short-term investments (Line 5) .....	8.9	6.2	5.2	10.0	10.6
37. Contract loans (Line 6) .....	0.0	0.0	0.0	0.0	0.0
38. Derivatives (Page 2, Line 7) .....	0.0	0.0	0.0	0.0	0.0
39. Other invested assets (Line 8) .....	3.2	3.8	3.3	3.0	3.2
40. Receivables for securities (Line 9) .....	0.0	0.0	0.0	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10) .....	0.0	0.0	0.0	0.0	0.0
42. Aggregate write-ins for invested assets (Line 11) .....	0.0	0.0	0.0	0.0	0.0
43. Cash, cash equivalents and invested assets (Line 12) .....	100.0	100.0	100.0	100.0	100.0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1) .....					
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1) .....					0
46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1), .....					
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
48. Affiliated mortgage loans on real estate .....					
49. All other affiliated .....					
50. Total of above Lines 44 to 49 .....	0	0	0	0	0
51. Total Investment in Parent included in Lines 44 to 49 above .....					
<b>Total Nonadmitted and Admitted Assets</b>					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2) .....	10,655,204	19,219,784	14,129,870	13,158,171	33,140,408
53. Total admitted assets (Page 2, Line 28, Col. 3) .....	499,171,779	529,488,173	635,565,515	718,208,451	759,785,315
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income) .....	7,040,261	8,680,041	9,480,381	11,737,231	12,874,883
55. Realized capital gains (losses) (Page 4, Line 34, Column 1) .....	(2,735)	63,271	(2,726)	(98,106)	(13,872)
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1) .....					
57. Total of above Lines 54, 55 and 56 .....	7,037,526	8,743,312	9,477,655	11,639,125	12,861,011
<b>Benefits and Reserve Increases (Page 6)</b>					
58. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11, 12, 13, 14 and 15 Cols. 9, 10 and 11) .....	1,055,818	653,766	451,710	461,296	1,036,481
59. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11) .....	958,777,381	966,991,712	1,076,426,835	1,389,926,418	1,490,596,658
60. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3) .....	47,922	9,172	(374)	(3,487)	204
61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11) .....	(2,808,673)	(7,280,808)	(12,477,771)	(19,510,534)	5,757,751
62. Dividends to policyholders (Line 30, Col. 1) .....	0	0	0	0	0
<b>Operating Percentages</b>					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0 .....	18.2	15.1	12.5	14.1	14.5
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0 .....	7.4	5.1	5.3	7.8	7.9
65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2) .....	73.0	72.2	72.1	75.3	75.0
66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2) .....	1.4	1.2	1.0	0.9	0.9
67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2) .....	18.6	21.1	17.2	18.5	16.0
<b>A &amp; H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2) .....	133,273,598	138,659,352	136,557,927	153,356,019	145,079,063
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2) .....	143,683,872	145,605,482	145,758,825	170,904,095	164,675,646
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2) .....	18,457,139	20,714,868	25,057,720	26,312,738	24,469,894
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2) .....	19,901,924	23,951,030	24,412,135	29,915,114	33,308,509
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
72. Industrial life (Col. 2) .....	0	0	0	0	0
73. Ordinary - life (Col. 3) .....	1,054,833	1,524,296	1,531,733	1,653,195	1,309,528
74. Ordinary - individual annuities (Col. 4) .....	734,260	739,450	746,878	751,548	719,677
75. Ordinary-supplementary contracts (Col. 5) .....	0	0	0	0	0
76. Credit life (Col. 6) .....	0	0	0	0	0
77. Group life (Col. 7) .....	205,477	285,981	135,204	477,582	165,098
78. Group annuities (Col. 8) .....	0	0	0	0	0
79. A & H-group (Col. 9) .....	55,707,685	53,384,917	88,978,839	53,295,465	95,371,463
80. A & H-credit (Col. 10) .....	0	0	0	0	0
81. A & H-other (Col. 11) .....	24,923,044	9,220,302	15,442,116	20,581,197	31,838,436
82. Aggregate of all other lines of business (Col. 12) ....	0	0	0	0	0
83. Total (Col. 1) .....	82,625,299	65,154,946	106,834,769	76,758,986	129,404,202

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]  
 If no, please explain: .....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**EXHIBIT OF LIFE INSURANCE**

(\$000 Omitted for Amounts of Life Insurance)

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance	Number of Policies	Amount of Insurance	Number of Individual Policies and Group Certificates	Amount of Insurance	Policies	Certificates	Amount of Insurance	
1. In force end of prior year .....	0	0	33,579	5,217,864	0	0	123	5,116	516,005	5,733,869
2. Issued during year .....	0	0	6,675	292,380	0	0			0	292,380
3. Reinsurance assumed .....										0
4. Revived during year .....			12	1,720						1,720
5. Increased during year (net) .....							4	0	12,557	12,557
6. Subtotals, Lines 2 to 5 .....	0	0	6,687	294,100	0	0	4	0	12,557	306,657
7. Additions by dividends during year .....	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases .....	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8) .....	0	0	40,266	5,511,964	0	0	127	5,116	528,562	6,040,526
Deductions during year:										
10. Death .....			666	52,640			XXX	8	568	53,208
11. Maturity .....			10	436			XXX			436
12. Disability .....			0	0			XXX			0
13. Expiry .....			12	40						40
14. Surrender .....			475	50,267						50,267
15. Lapse .....			4,332	327,908			13	984	96,593	424,501
16. Conversion .....			10	2,125			XXX	XXX	XXX	2,125
17. Decreased (net) .....			11	17,973			0	0	0	17,973
18. Reinsurance .....										0
19. Aggregate write-ins for decreases .....	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19) .....	0	0	5,516	451,389	0	0	13	992	97,161	548,550
21. In force end of year (Line 9 minus Line 20) .....	0	0	34,750	5,060,575	0	0	114	4,124	431,401	5,491,976
22. Reinsurance ceded end of year .....	XXX		XXX	4,861,270	XXX		XXX	XXX	0	4,861,270
23. Line 21 minus Line 22 .....	XXX	0	XXX	199,305	XXX	(a)	XXX	XXX	431,401	630,706
<b>DETAILS OF WRITE-INS</b>										
0801. ....										
0802. ....										
0803. ....										
0898. Summary of remaining write-ins for Line 8 from overflow page .....	0	0	0	0	0	0	0	0	0	0
0899. TOTALS (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....	0	0	0	0	0	0	0	0	0	0
1901. ....										
1902. ....										
1903. ....										
1998. Summary of remaining write-ins for Line 19 from overflow page .....	0	0	0	0	0	0	0	0	0	0
1999. TOTALS (Lines 1901 thru 1903 plus 1998) (Line 19 above) .....	0	0	0	0	0	0	0	0	0	0

(a) Group \$ ..... ; Individual \$ .....

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**EXHIBIT OF LIFE INSURANCE**

(\$000 Omitted for Amounts of Life Insurance) (Continued)  
**ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR**

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
24. Additions by dividends .....	XXX		XXX	139
25. Other paid-up insurance .....			8,787	936,146
26. Debit ordinary insurance .....	XXX	XXX		

**ADDITIONAL INFORMATION ON ORDINARY INSURANCE**

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
27. Term policies - decreasing .....			204	1,051
28. Term policies - other .....	6,675	292,380	18,703	3,441,393
29. Other term insurance - decreasing .....	XXX		XXX	
30. Other term insurance .....	XXX		XXX	
31. Totals (Lines 27 to 30) .....	6,675	292,380	18,907	3,442,444
Reconciliation to Lines 2 and 21:				
32. Term additions .....	XXX		XXX	
33. Totals, extended term insurance .....	XXX	XXX	263	1,021
34. Totals, whole life and endowment .....			15,580	1,617,110
35. Totals (Lines 31 to 34) .....	6,675	292,380	34,750	5,060,575

**CLASSIFICATION OF AMOUNT OF INSURANCE BY PARTICIPATING STATUS**

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial .....				
37. Ordinary .....	292,380	0	5,059,992	583
38. Credit Life (Group and Individual) .....				
39. Group .....	0	0	431,401	0
40. Totals (Lines 36 to 39) .....	292,380	0	5,491,393	583

**ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE**

	Credit Life		Group	
	1 Number of Individual Policies	2 Amount of Insurance	3 Number of Certificates	4 Amount of Insurance
41. Amount of insurance included in Line 2 ceded to other companies .....	XXX		XXX	
42. Number in force end of year if the number under ceded groups is ceded on a pro-rata basis .....				XXX
43. Federal Employees' Group Life Insurance included in Line 21 .....				
44. Servicemen's Group Life Insurance included in Line 21 .....				
45. Group Permanent Insurance included in Line 21 .....				

**ADDITIONAL ACCIDENTAL DEATH BENEFITS**

46. Amount of additional accidental death benefits in force end of year under ordinary policies .....	22,391
---	--------

**BASIS OF CALCULATION OF ORDINARY TERM INSURANCE**

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included above.
47.1 New issues exact basis; older issues on level amount basis .....
47.2 New issues exact basis; older issues on level amount basis .....

**POLICIES WITH DISABILITY PROVISIONS**

Disability Provisions	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance	5 Number of Policies	6 Amount of Insurance	7 Number of Certificates	8 Amount of Insurance
48. Waiver of Premium .....			3,497	148,709				
49. Disability Income .....								
50. Extended Benefits .....			XXX	XXX				
51. Other .....								
52. Total .....	0	(a) 0	3,497	(a) 148,709	0	(a) 0	0	(a) 0

(a) See the Annual Audited Financial Reports section of the annual statement instructions

**EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES**

**SUPPLEMENTARY CONTRACTS**

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	0	0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	0	0	0	0
Deductions during year:				
6. Decreased (net)	7	4		
7. Reinsurance ceded	(7)	(4)		
8. Totals (Lines 6 and 7)	0	0	0	0
9. In force end of year	0	0	0	0
10. Amount on deposit		(a)		(a)
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	0	0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Lines 1 to 4)	0	0	0	0
Deductions during year:				
6. Decreased (net)	6	739		
7. Reinsurance ceded	(6)	(739)		
8. Totals (Lines 6 and 7)	0	0	0	0
9. In force end of year	0	0	0	0
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

**ACCIDENT AND HEALTH INSURANCE**

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	192,512	1,160,400,264	0	0	231,835	200,781,609
2. Issued during year	215,330	572,161,003	0	0	232,424	262,062,644
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Totals (Lines 1 to 4)	407,842	XXX	0	XXX	464,259	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)	201,337	XXX		XXX	223,824	XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Lines 6 to 8)	201,337	XXX	0	XXX	223,824	XXX
10. In force end of year	206,505	(a) 1,057,826,839	0	(a) 0	240,435	(a) 252,339,403

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year	0	0
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (Lines 1 to 4)	0	0
Deductions During Year:		
6. Decreased (net)		10
7. Reinsurance ceded		(10)
8. Totals (Lines 6 and 7)	0	0
9. In force end of year	0	0
10. Amount of account balance	(a)	(a)

(a) See the Annual Audited Financial Reports section of the annual statement instructions.

**ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company**  
**SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS**

Allocated by States and Territories

States, Etc.	1	Life Contracts		Direct Business Only			7
		2	3	4	5	6	
	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1. Alabama	AL	L	362,007	22,099	13,193,501	13,577,607	
2. Alaska	AK	L	990		64,477	65,467	
3. Arizona	AZ	L	602,750	50,005	90,302,977	90,955,732	
4. Arkansas	AR	L	376,958	8,764	14,815,437	15,201,159	
5. California	CA	L	1,241,966	178,865	1,967,487	3,388,318	
6. Colorado	CO	L	658,714	14,082	27,533,034	28,205,830	
7. Connecticut	CT	L	591,514	43,059	19,704,966	20,339,539	
8. Delaware	DE	L	111,223	3,498	1,745,781	1,860,502	
9. District of Columbia	DC	L	45,030		106,388	151,418	
10. Florida	FL	L	2,188,968	378,206	230,150,337	232,717,511	
11. Georgia	GA	L	775,264	30,871	38,584,286	39,390,421	
12. Hawaii	HI	L	128,743	6,304	73,690	208,737	
13. Idaho	ID	L	36,130		61,146	97,276	
14. Illinois	IL	L	2,406,415	187,769	71,161,185	73,755,369	
15. Indiana	IN	L	1,094,704	157,188	53,607,241	54,859,133	
16. Iowa	IA	L	602,530	47,397	15,218,154	15,868,081	
17. Kansas	KS	L	137,069	11,578	6,972,594	7,121,241	
18. Kentucky	KY	L	742,044	1,610	4,583,386	5,327,040	
19. Louisiana	LA	L	396,252	35,273	8,910,366	9,341,891	
20. Maine	ME	L	154,050		76,602	230,652	
21. Maryland	MD	L	778,381	32,182	13,517,845	14,328,408	
22. Massachusetts	MA	L	176,490	22,005	30,335	228,830	
23. Michigan	MI	L	1,584,830	43,551	70,950,141	72,578,522	
24. Minnesota	MN	L	456,227	42,819	163,750	662,796	
25. Mississippi	MS	L	217,367	17,630	23,670,489	23,905,486	
26. Missouri	MO	L	1,194,963	67,843	72,471,115	73,733,921	
27. Montana	MT	L	4,387		18,841	23,228	
28. Nebraska	NE	L	292,677	39,138	31,652,320	31,984,135	
29. Nevada	NV	L	57,048	8,578	11,307,673	11,373,299	
30. New Hampshire	NH	L	187,371	11,288	52,181	250,840	
31. New Jersey	NJ	L	59,968	11,179	968,403	1,039,550	
32. New Mexico	NM	L	74,976	5,755	148,267	228,998	
33. New York	NY	N	41,297	3,809	64,206	109,312	
34. North Carolina	NC	L	774,636	41,807	35,379,354	36,195,797	
35. North Dakota	ND	L	74,230		64,124	138,354	
36. Ohio	OH	L	1,240,247	82,948	79,400,954	80,724,149	
37. Oklahoma	OK	L	305,545	14,176	25,970,054	26,289,775	
38. Oregon	OR	L	127,442	2,254	1,646,933	1,776,629	
39. Pennsylvania	PA	L	1,018,175	10,742	35,350,018	36,378,935	
40. Rhode Island	RI	L	52,232	2,249	12,666	67,147	
41. South Carolina	SC	L	405,888	26,632	38,069,314	38,501,834	
42. South Dakota	SD	L	226,521	2,000	81,033	309,554	
43. Tennessee	TN	L	1,152,091	37,206	37,875,289	39,064,586	
44. Texas	TX	L	2,333,919	220,038	146,641,230	149,195,187	
45. Utah	UT	L	91,033		271,650	362,683	
46. Vermont	VT	L	44,536		21,463	65,999	
47. Virginia	VA	L	909,468	42,782	27,474,505	28,426,755	
48. Washington	WA	L	197,746	18,408	446,772	662,926	
49. West Virginia	WV	L	223,487	19,904	8,087,506	8,330,897	
50. Wisconsin	WI	L	1,296,396	37,922	57,242,368	58,576,686	
51. Wyoming	WY	L	44,831		5,397,120	5,441,951	
52. American Samoa	AS	N				0	
53. Guam	GU	L				0	
54. Puerto Rico	PR	N				0	
55. U.S. Virgin Islands	VI	N				0	
56. Northern Mariana Islands	MP	N				0	
57. Canada	CAN	N				0	
58. Aggregate Other Alien	OT	XXX	24,863	6,814	3,388	35,065	0
59. Subtotal	(a) 51		28,322,589	2,048,227	1,323,284,342	1,353,655,158	0
90. Reporting entity contributions for employee benefits plans	XXX					0	
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX					0	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX					0	
93. Premium or annuity considerations waived under disability or other contract provisions	XXX					0	
94. Aggregate or other amounts not allocable by State	XXX		0	0	0	0	0
95. Totals (Direct Business)	XXX		28,322,589	2,048,227	1,323,284,342	1,353,655,158	0
96. Plus reinsurance assumed	XXX					0	
97. Totals (All Business)	XXX		28,322,589	2,048,227	1,323,284,342	1,353,655,158	0
98. Less reinsurance ceded	XXX		26,478,026	2,048,227	0	28,526,253	
99. Totals (All Business) less Reinsurance Ceded	XXX		1,844,563	0	(b) 1,323,284,342	1,325,128,905	0
<b>DETAILS OF WRITE-INS</b>							
58001. ZZZ Other Alien	XXX		24,863	6,814	3,388	35,065	
58002.	XXX						
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		24,863	6,814	3,388	35,065	0
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX		0	0	0	0	0
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX		0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

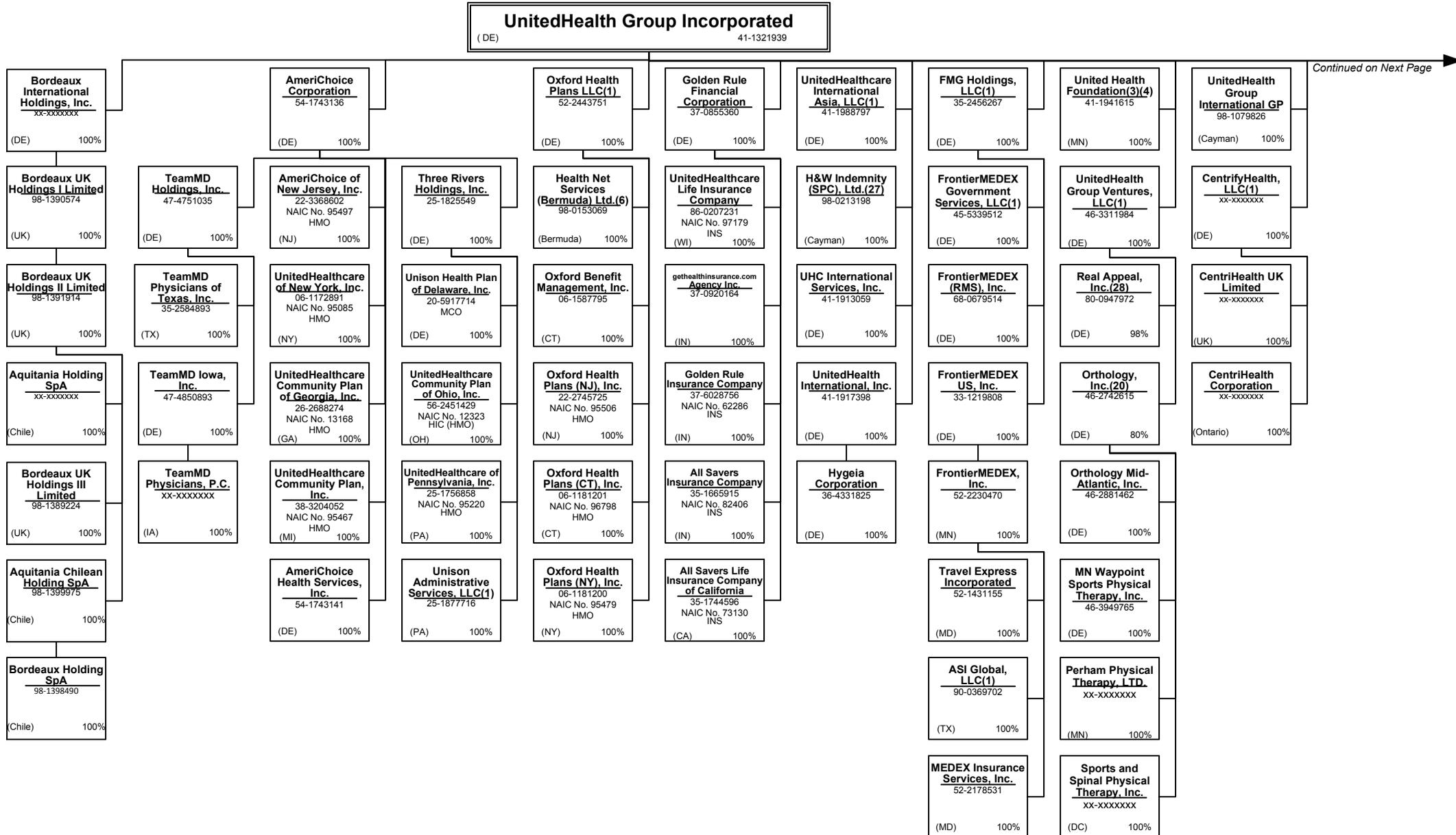
Explanation of basis of allocation by states, etc., of premiums and annuity considerations

Allocation of premiums based upon insured's address state.

(a) Insert the number of L responses except for Canada and Other Alien.

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10, or with Schedule H, Part 1, Line 1, indicate which: Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10.

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**



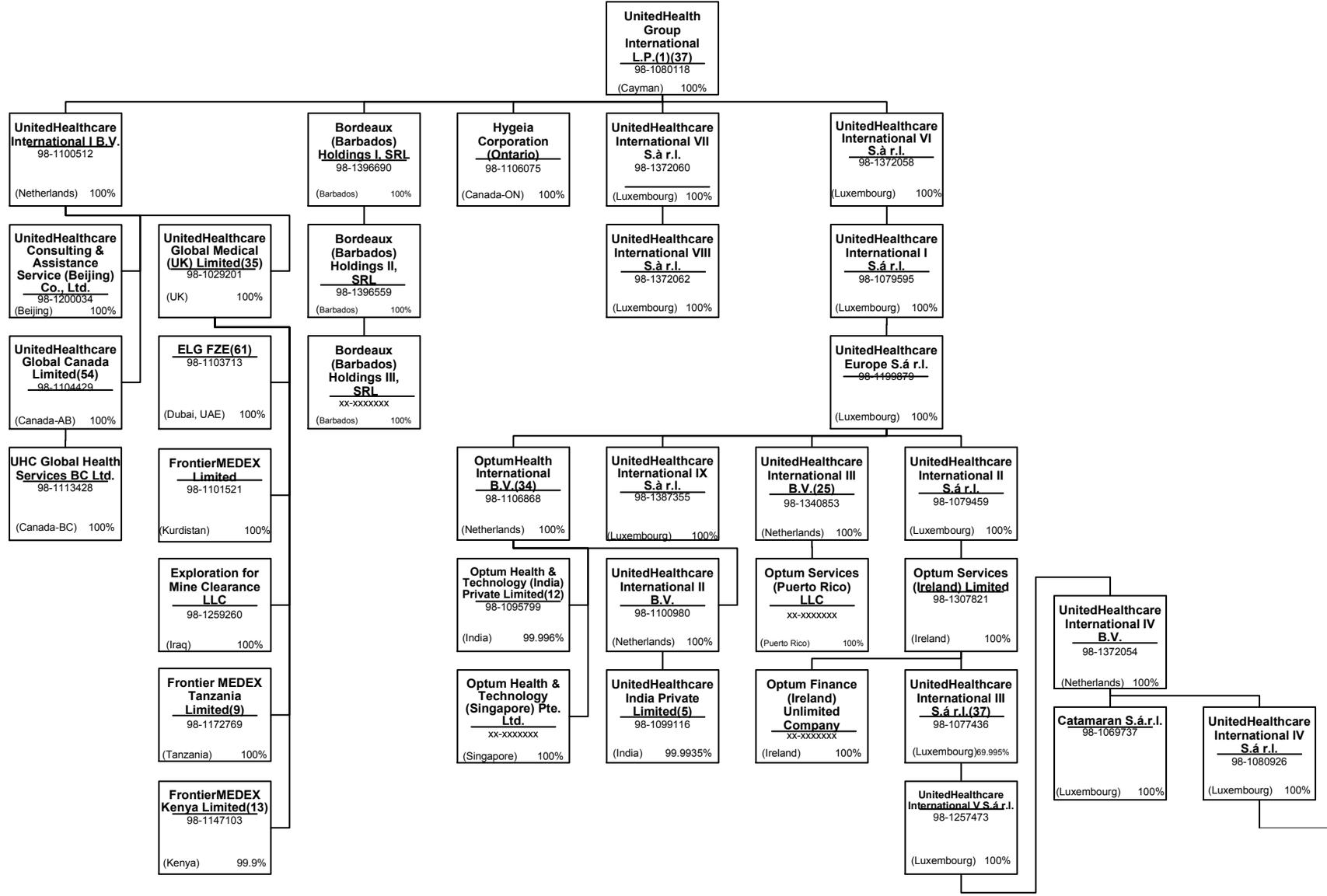
Continued on Next Page

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**UnitedHealth Group Incorporated**  
 ( DE) 41-1321939

Continued from Previous Page

Continued on Next Page



51.1

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

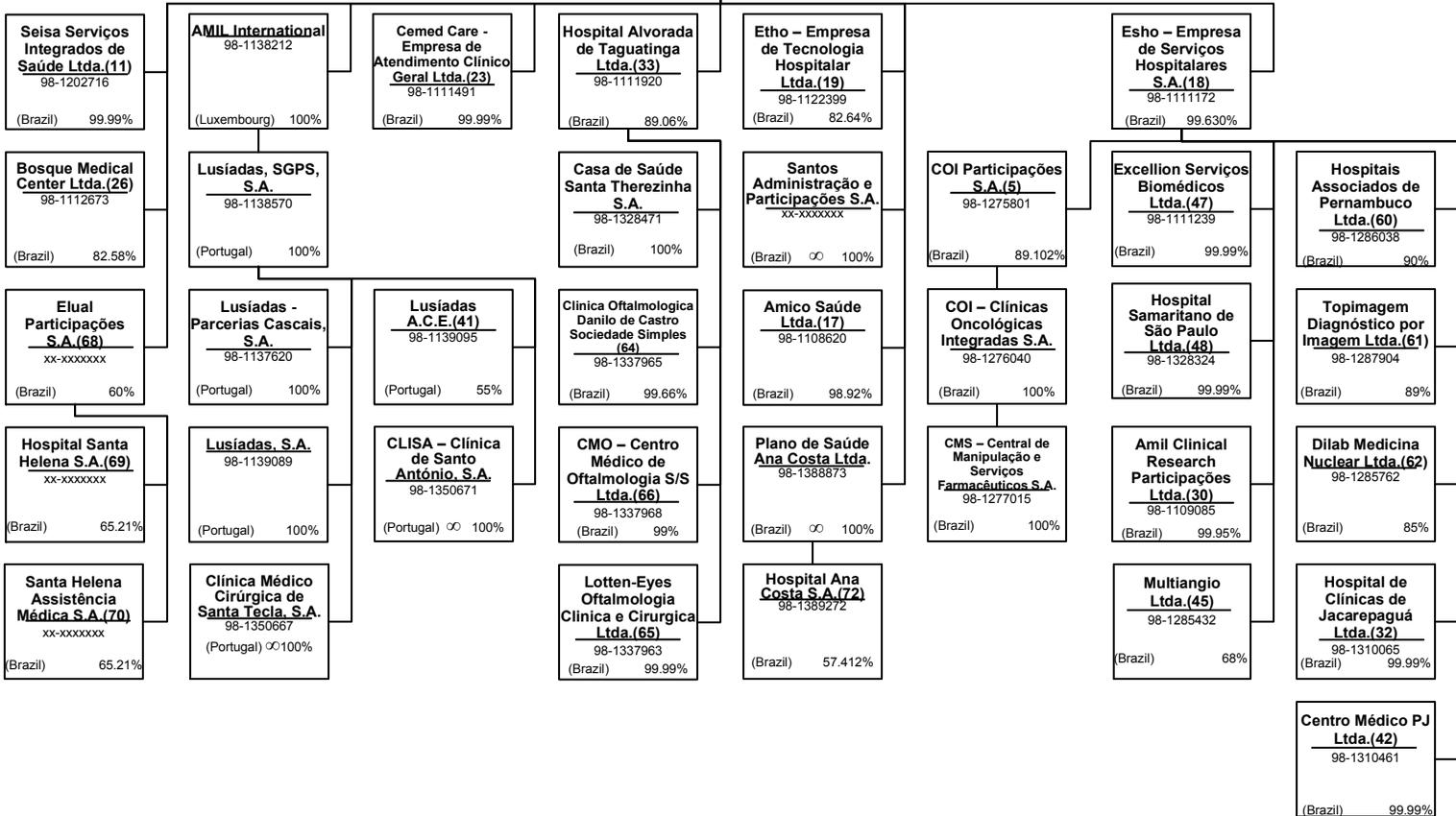
**UnitedHealth Group Incorporated**  
 ( DE ) 41-1321939

**United HealthCare Services, Inc.**  
 41-128945  
 (MN) 100%

**Polar II Fundo de Investimento em Participações Multiestratégia(38)**  
 98-1083164  
 (Brazil) 100%

**Amil Assistência Médica Internacional S.A.(40)**  
 (Brazil) 91.81%

**UHG Brasil Participações S.A.**  
 98-1122490  
 (Brazil) 100%



Continued from Previous Page

Continued on Next Page

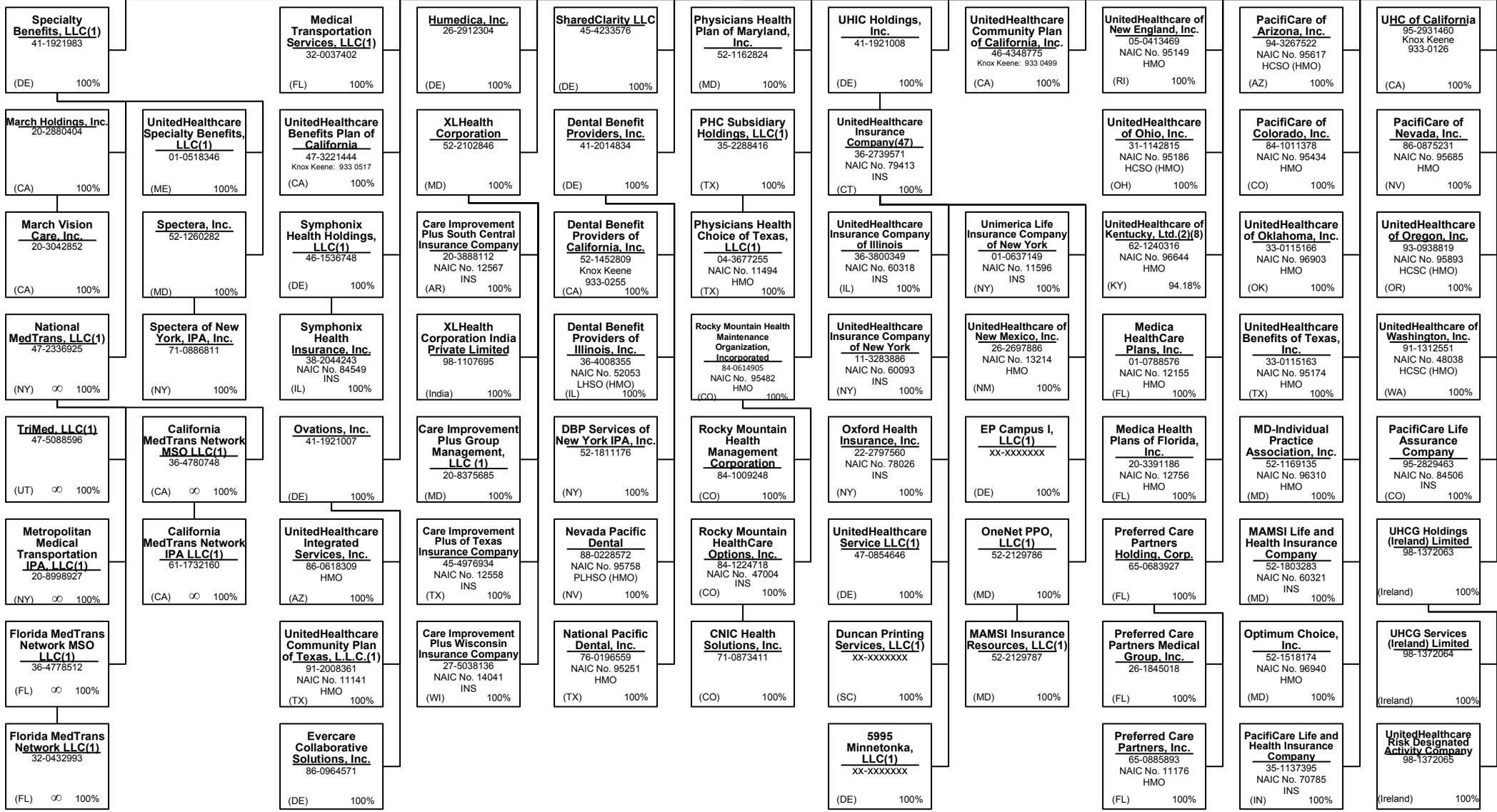
51.2

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**United HealthCare Services, Inc.**  
 (MN) 41-1289245 100%

Continued from Previous Page

Continued on Next Page

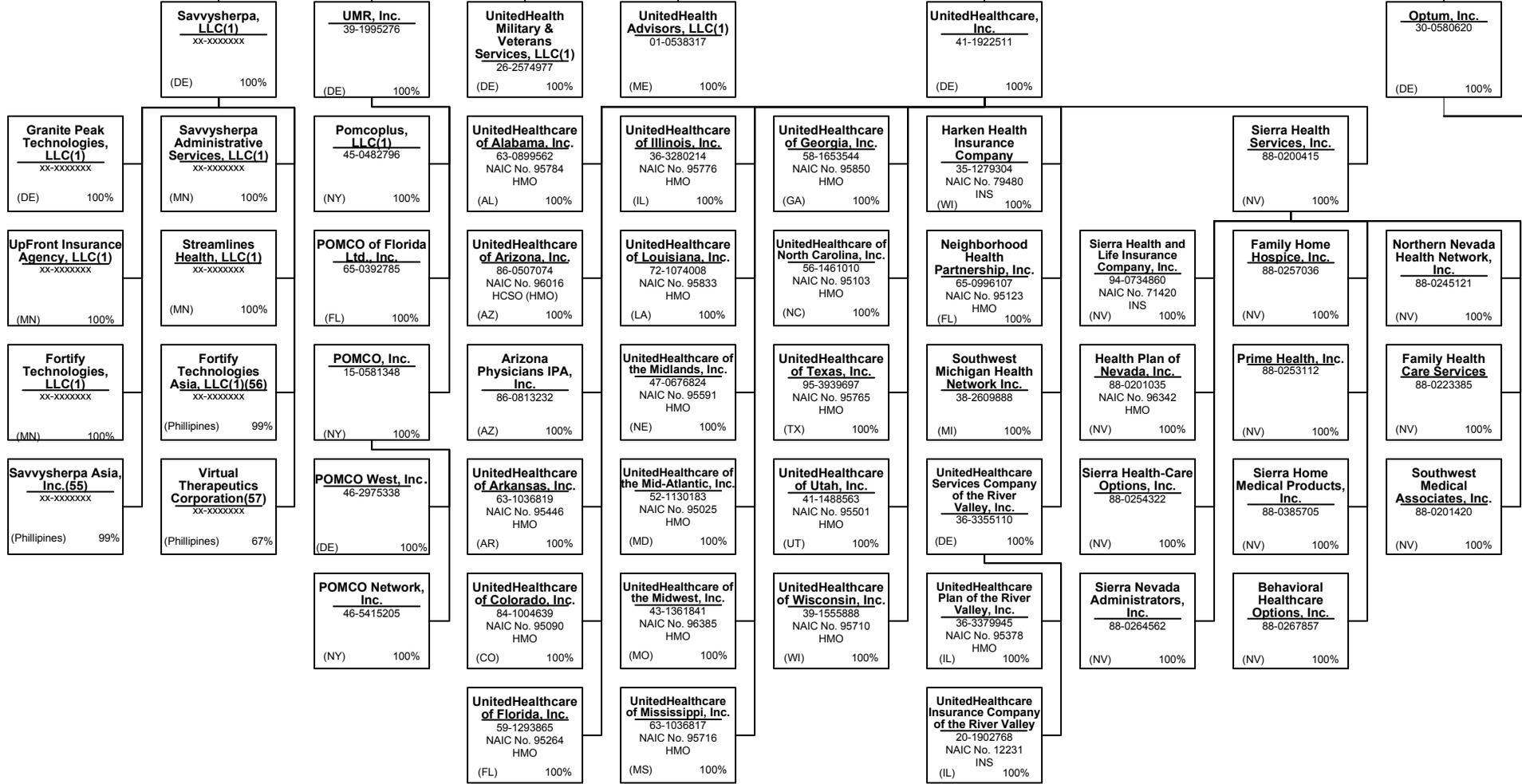


51.3

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**United HealthCare Services, Inc.**  
 (MN) 41-1289245 100%

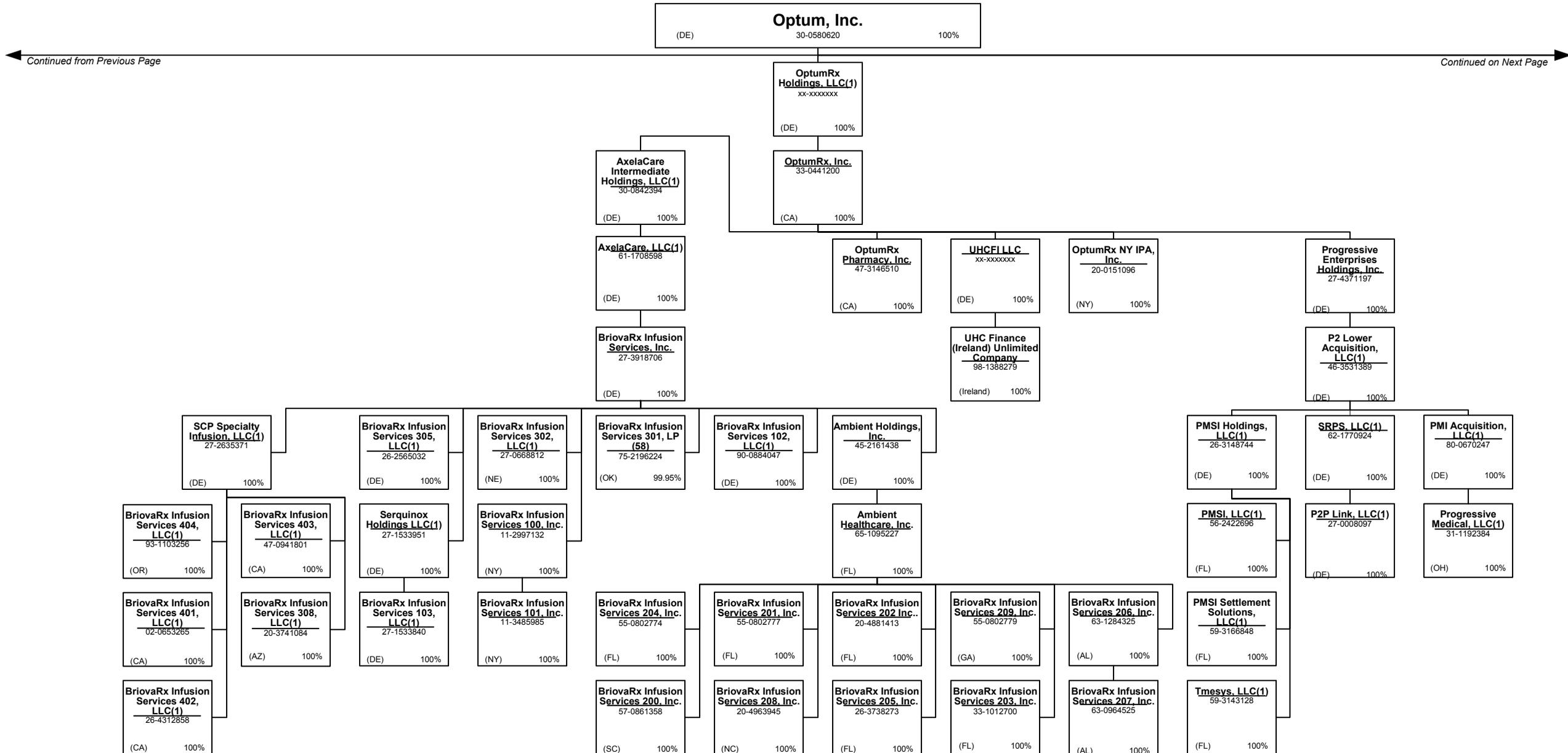
Continued from Previous Page



Continued on Next Page



**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**



Continued from Previous Page

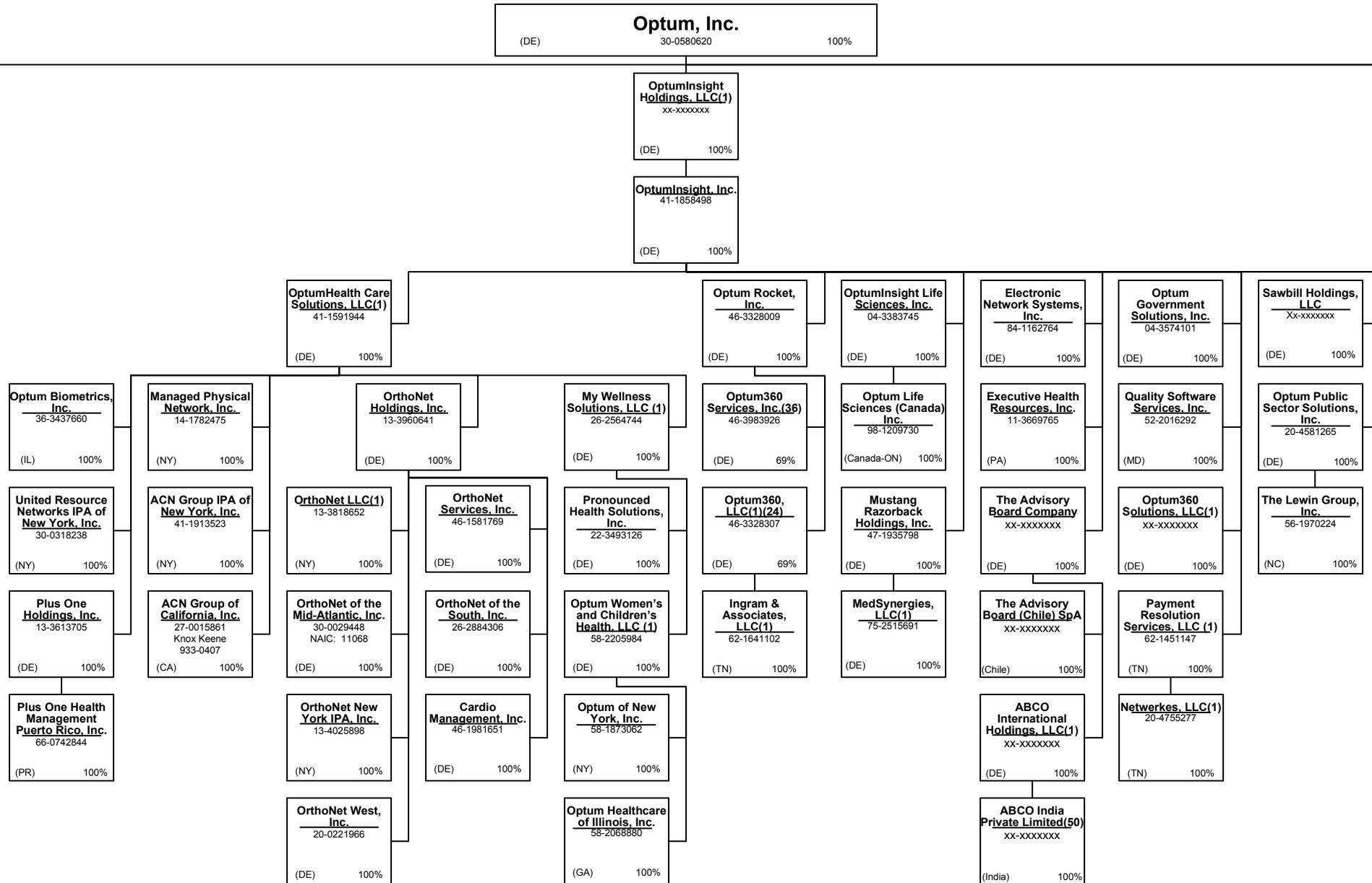
Continued on Next Page

51.6

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

Continued from Previous Page

Continued on Next Page

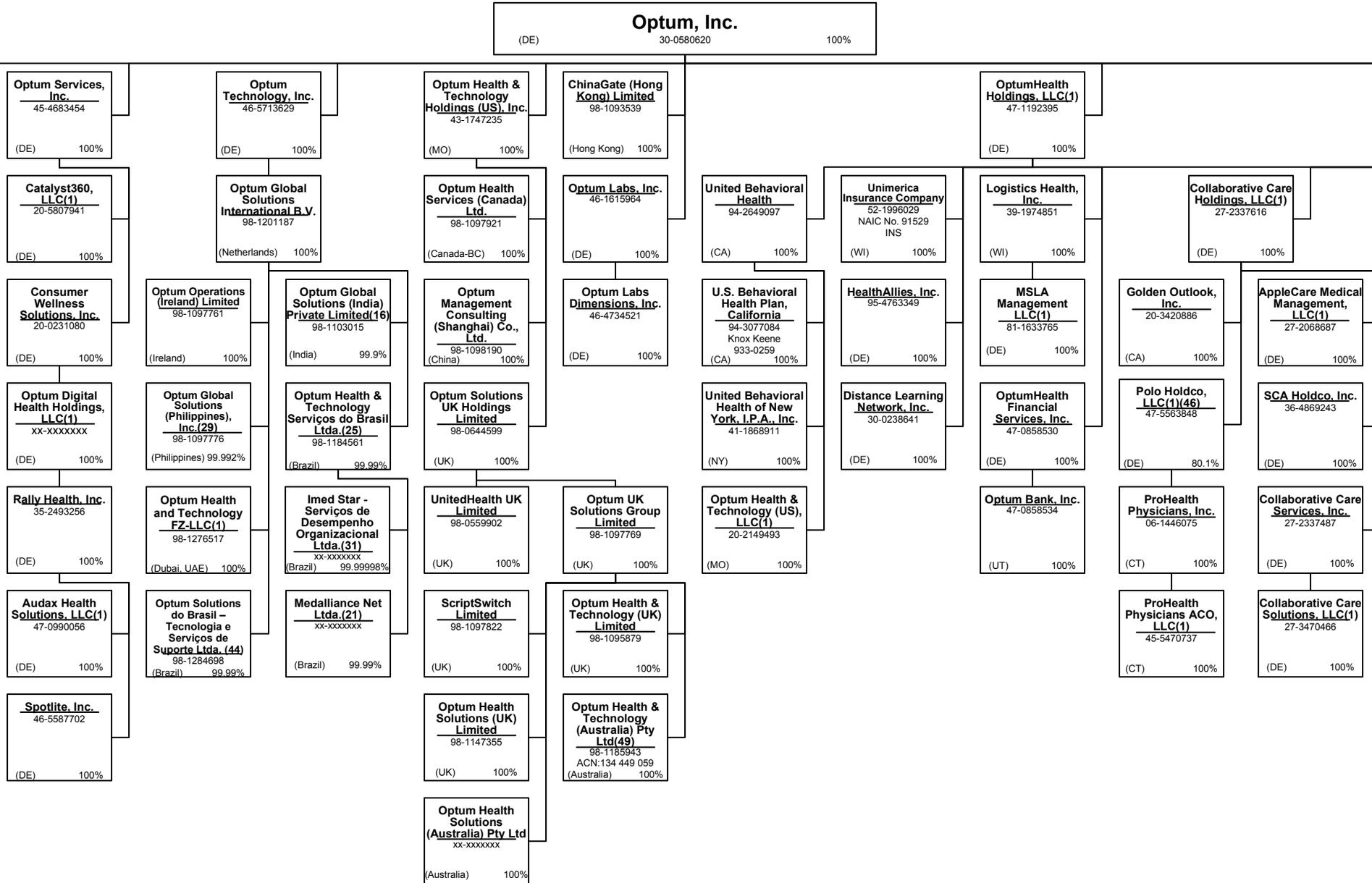


51.7

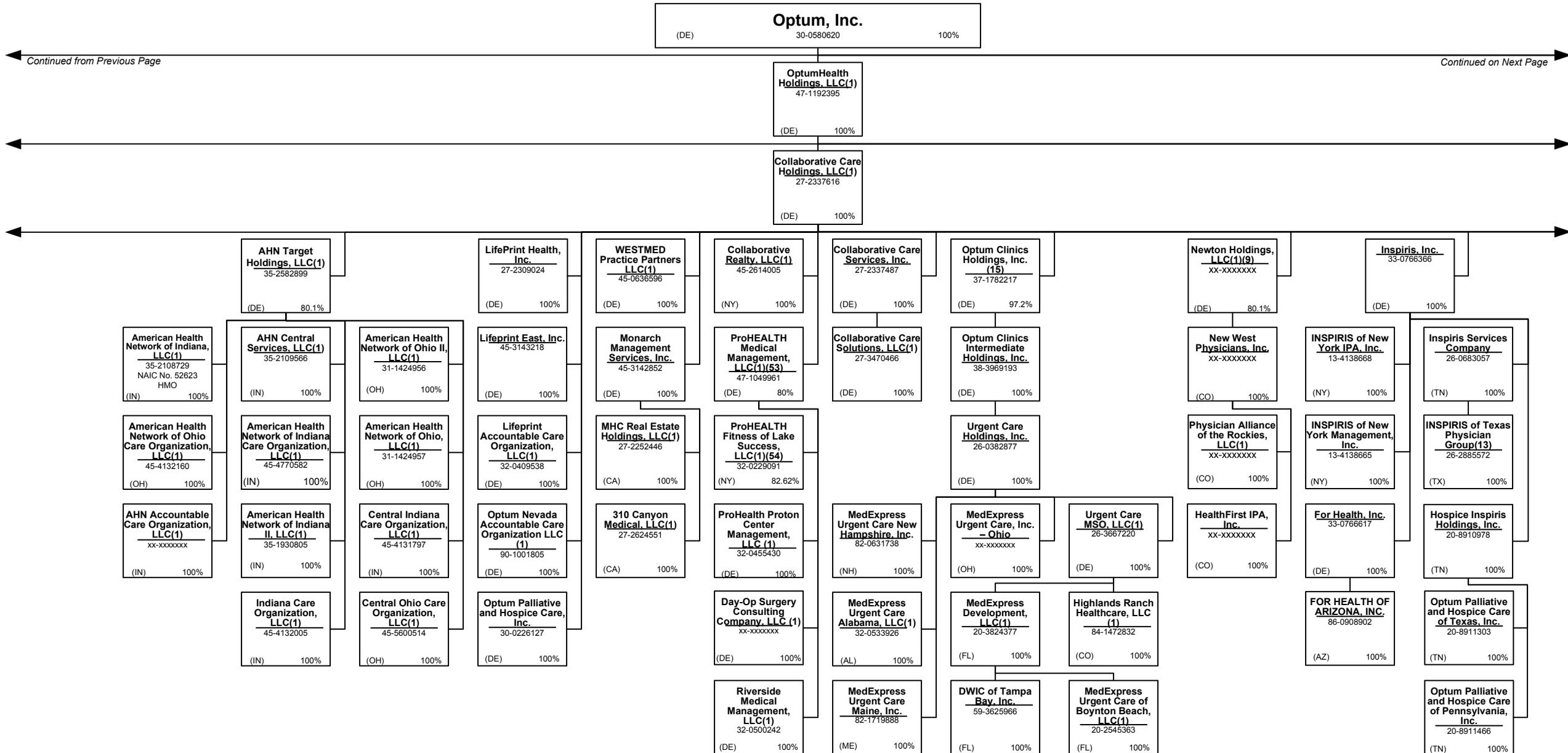
**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

Continued from Previous Page

Continued on Next Page



**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

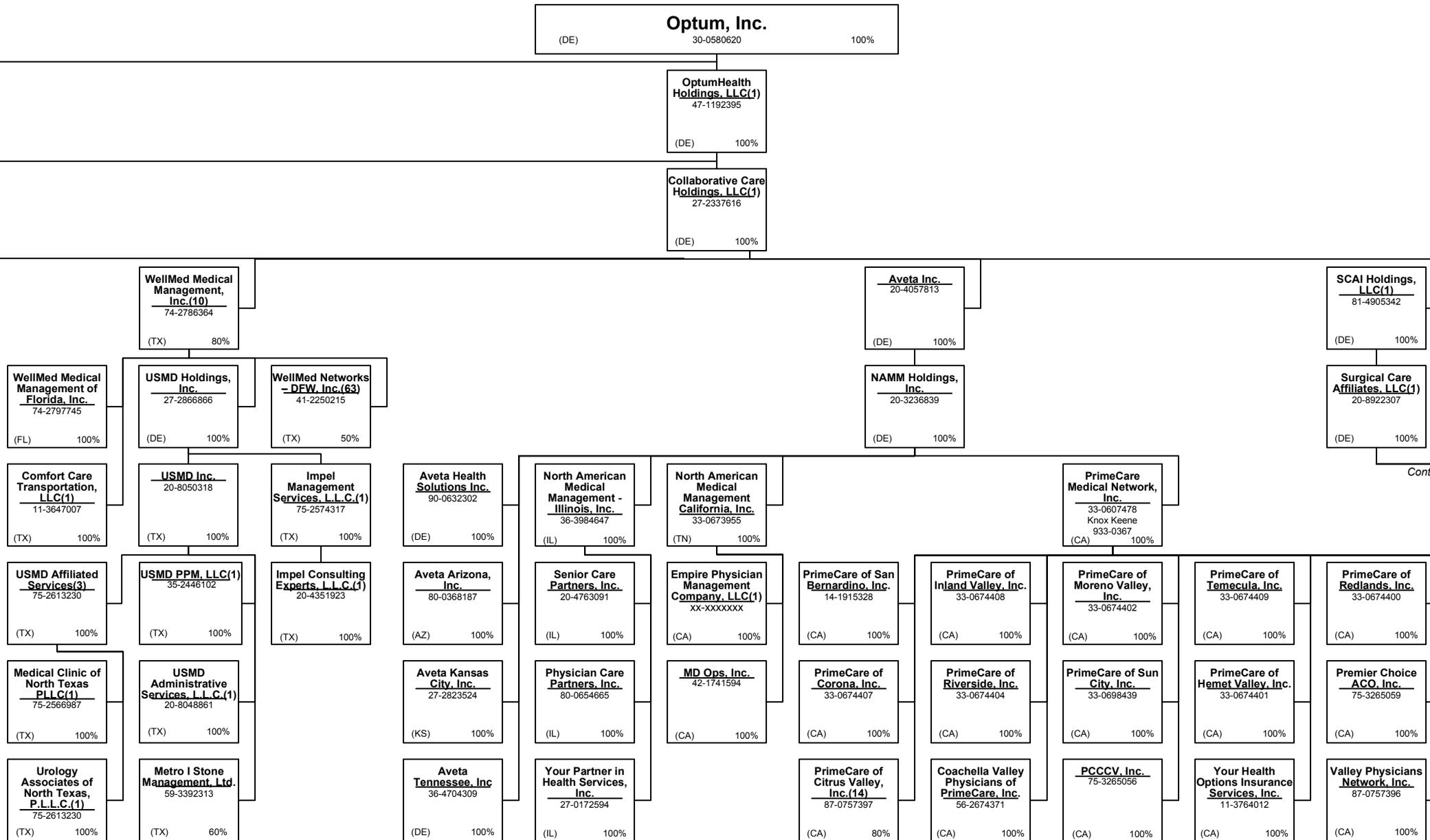


Continued from Previous Page

Continued on Next Page

51.9

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

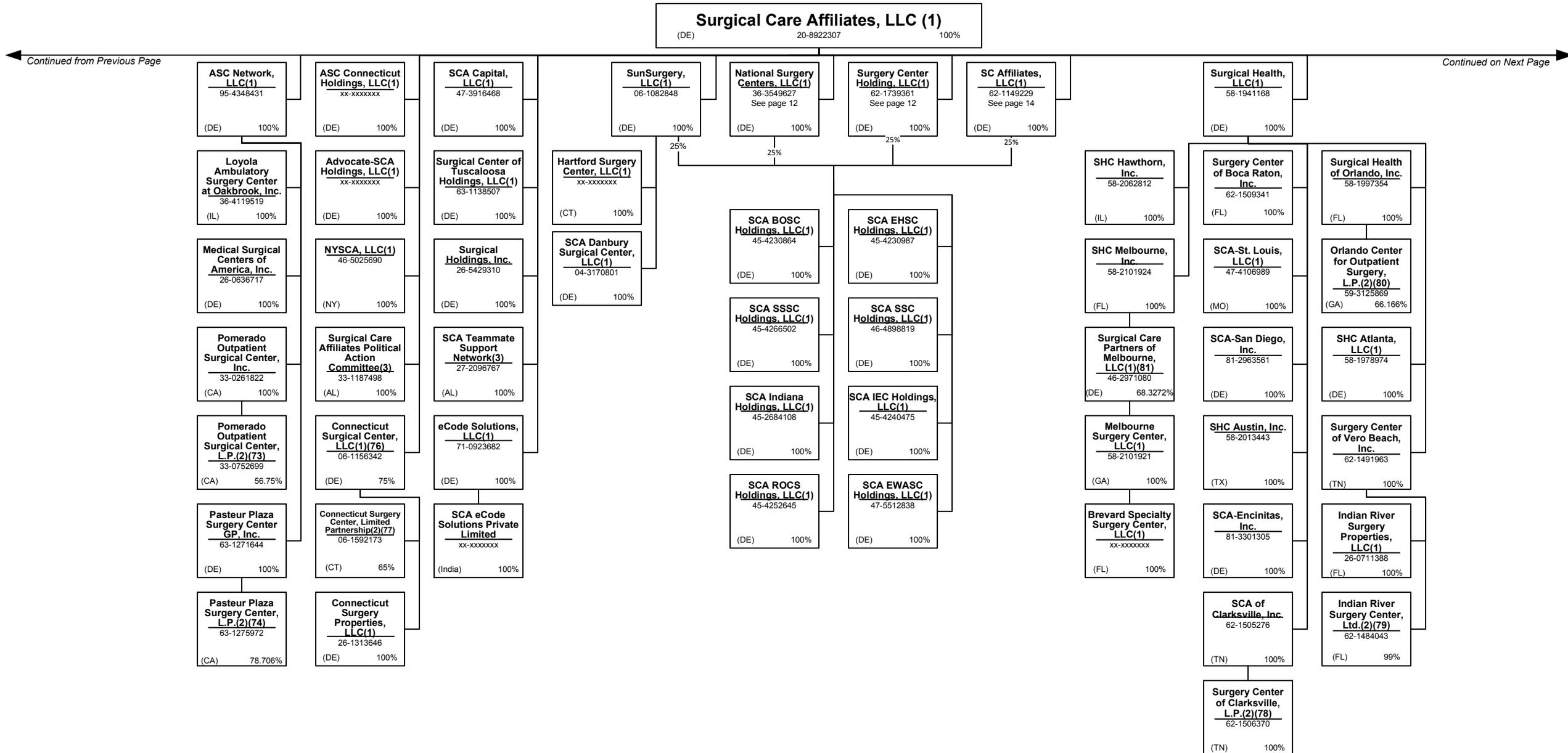


Continued from Previous Page

Continued on Next Page

51.10

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**



Continued from Previous Page

Continued on Next Page

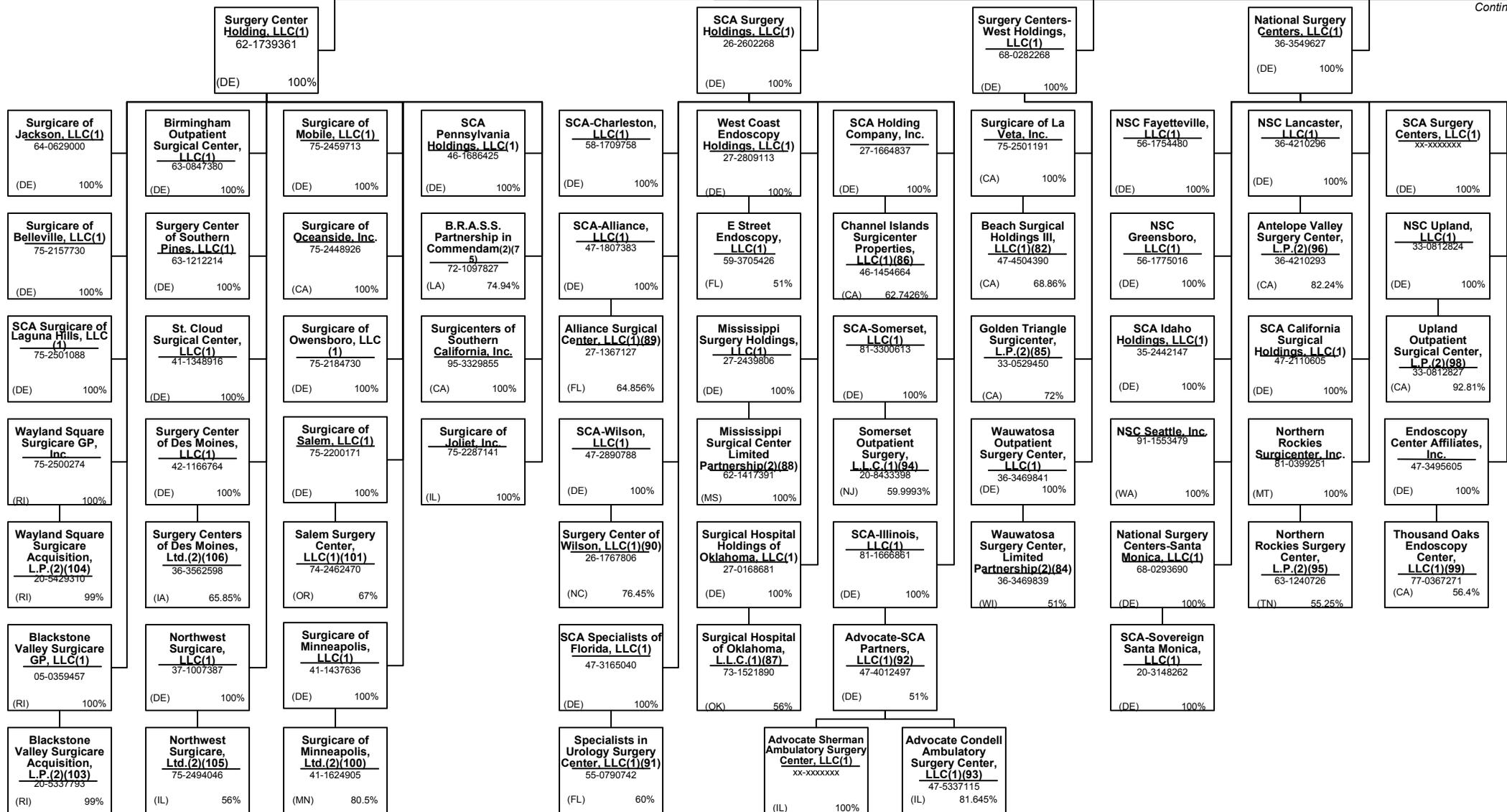
51.11

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**Surgical Care Affiliates, LLC (1)**  
 (DE) 20-8922307 100%

Continued from Previous Page

Continued on Next Page

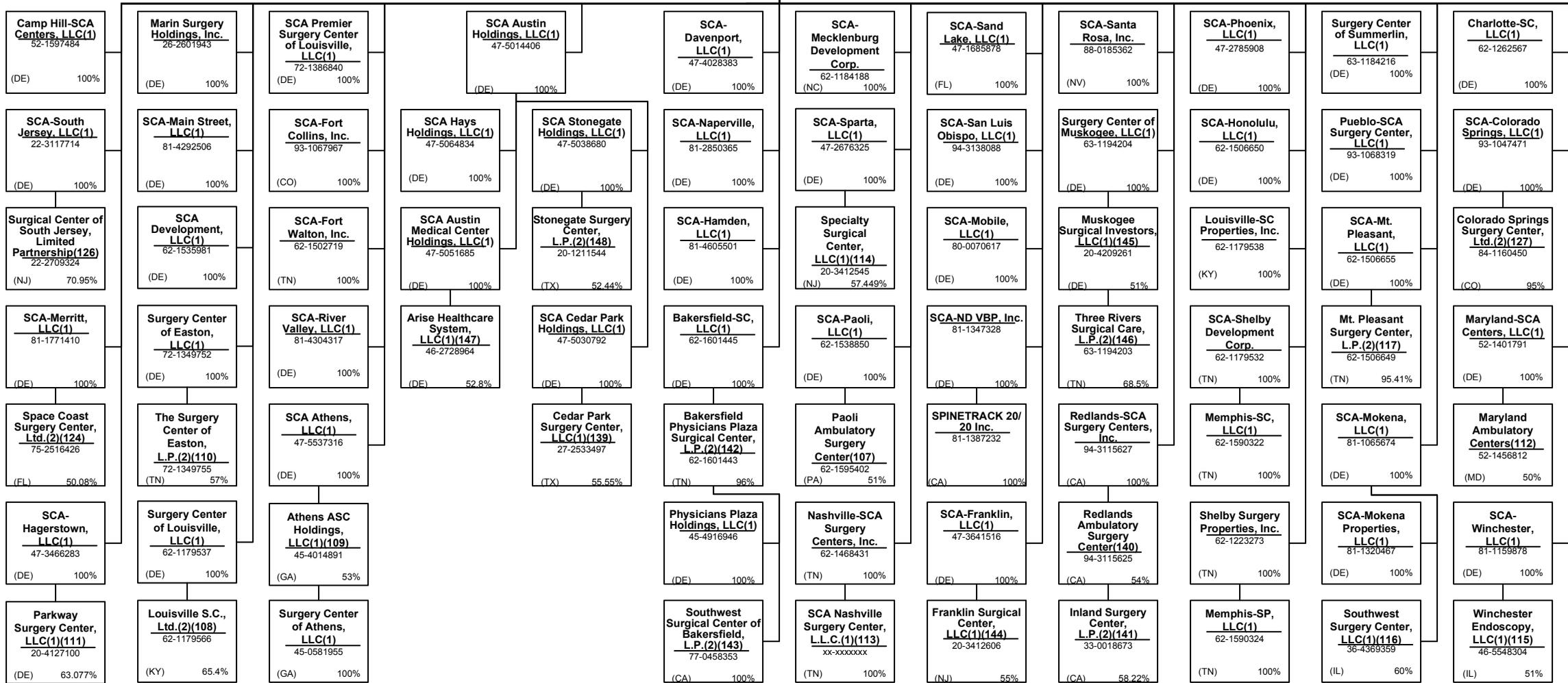


51.12

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**Surgical Care Affiliates, LLC (1)**  
 (DE) 20-8922307 100%

**SC Affiliates, LLC(1)**  
 62-1149229  
 See page 12  
 (DE) 100%



Continued from Previous Page

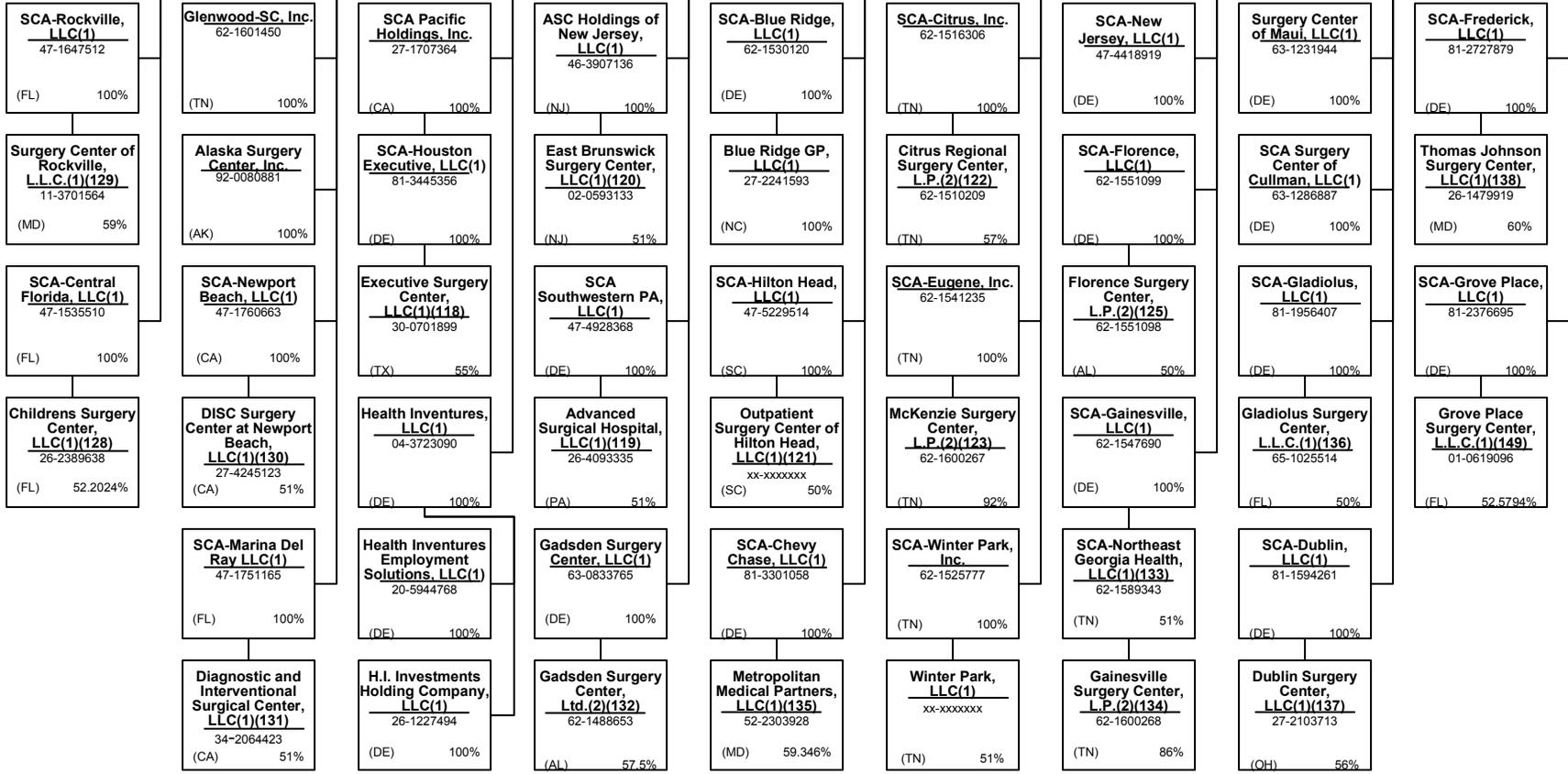
Continued on Next Page

51.13

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**Surgical Care Affiliates, LLC (1)**  
 (DE) 20-8922307 100%

**SC Affiliates, LLC(1)**  
 62-1149229  
 (DE) 100%



Continued from Previous Page

## SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 – ORGANIZATIONAL CHART

#### Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (1) Entity is a Limited Liability Company
- (2) Entity is a Partnership
- (3) Entity is a Non-Profit Corporation
- (4) Control of the Foundation is based on sole membership, not the ownership of voting securities
- (5) COI Participações S.A. is 89.10289% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10.8971% owned by COIPAR Participações S.A.
- (6) Health Net Services is a company duly incorporated under the laws of Bermuda and holds a Bermuda insurer license.
- (7) UnitedHealthcare India Private Limited is 99.999385% owned by UnitedHealthcare International II B.V. and 0.00065% owned by UnitedHealth International, Inc.
- (8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.
- (9) Newton Holdings, LLC, is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% is owned by outside shareholders.
- (10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.
- (11) Seisa Serviços Integrados de Saúde Ltda is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.000007% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (12) Optum Health & Technology (India) Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.
- (13) INSPIRIS of Texas Physician Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.
- (14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.
- (15) Optum Clinics Holdings, Inc. is 97.2% owned by Collaborative Care Holdings, LLC and 2.8% is owned by external shareholders.
- (16) Optum Global Solutions (India) Private Limited is 99.999466 % (1,872,266,000 shares) owned by Optum Global Solutions International BV and 0.000534% (10,000 shares) UnitedHealth International, Inc. as nominee of Optum Global Solutions International BV per India requirement to have two shareholders.
- (17) Amico Saúde Ltda. is 98.927933% owned by Amil Assistência Médica Internacional S.A. and 1.072067% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (18) Esho – Empresa de Serviços Hospitalares S.A. is 99.630% owned by Amil Assistência Médica Internacional S.A. and 0.370368% owned by Treasury Shares and .7409758% owned by external shareholders.
- (19) Etho – Empresa de Tecnologia Hospitalar Ltda. 82.642% owned by Amil Assistência Médica Internacional S.A. and 17.358% owned by an external shareholder.
- (20) Orthology, Inc. is 80% owned by UnitedHealth Group Ventures, LLC and 20% owned by external shareholders.
- (21) Medalliance Net Ltda. is owned 99.999985% by Optum Health & Technology Serviços do Brasil Ltda. and 0.000015% by UHG Brasil Participações S.A.
- (22) Branch offices in Iraq and Uganda.
- (23) Cemed Care Empresa de Atendimento Clínico Geral Ltda. Is 99.9999996% owned by Amil Assistência Médica Internacional S.A. and 0.000004% owned by Amico Saúde Ltda.

- (24) Optum 360, LLC is 69% owned by Optum Rocket, Inc; the remaining 31% is owned by external holders.
- (25) Optum Health & Technology Serviços do Brasil Ltda. is 99.9964% owned by Optum Global Solutions International B.V. and .0036% owned by OptumInsight, Inc.
- (26) Bosque Medical Center Ltda. is 82.58% owned by Amil Assistência Médica Internacional S.A. and 17.41949% owned by Esho – Empresa de Serviços Hospitalares S.A.
- (27) H&W Indemnity (SPC), Ltd. is an exempted segregated portfolio company organized under the laws of the Cayman Islands and holds a Cayman insurance license.
- (28) Real Appeal, Inc. is majority-owned by UHG or one of its affiliates and the remaining 2% is owned by Real Appeal Management.
- (29) Optum Global Solutions (Philippines), Inc. is 99.992% owned by Optum Global Solutions International B.V., and the remaining 0.008% is held by the company's directors.
- (30) Amil Clinical Research Participações Ltda. is 99.95% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.05% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (31) Imed Star Serviços de Desempenho Organizacional Ltda. is 99.99998% owned by Optum Health & Technology Serviços do Brasil Ltda and 0.00002% owned by UHG Brasil Participações S.A.
- (32) Hospital de Clínicas de Jacarepaguá Ltda. is 99.999998% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000002% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (33) Hospital Alvorada Taguatinga Ltda. is 89.06% owned by Amil Assistência Médica Internacional S.A., 10.94% by Bosque Medical Center Ltda.
- (34) Registered as foreign shareholder in Brazil. Optum Global Solutions International B.V. is held 97.48% by Optum Technology, Inc. and 2.52% by OptumHealth International B.V.
- (35) FrontierMEDEX Kenya Limited is 99.9% owned by Frontier MEDEX Limited and 0.1% owned by UnitedHealthcare International I B.V.
- (36) TBD
- (37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (25.9341%), Hygeia Corporation (DE) (0.3523%) and UnitedHealth Group Incorporated (100%). UnitedHealth Group International GP is the general partner of UnitedHealth Group International, L.P.
- (38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.
- (39) UnitedHealthcare International III S.á r.l. is 69.995% owned by UnitedHealthcare Europe S.á r.l. and 30.005% owned by UnitedHealthcare International II S.á r.l.
- (40) Amil Assistência Médica Internacional S.A. is 91.81% owned by Polar II Fundo de Investimento em Participações and the remaining 8.19% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.
- (41) Lusiadas A.C.E. is 55% owned by Lusiadas, SGPS, S.A., 10% owned by Lusiadas – Parcerias Cascais, S.A., 20% owned by Lusiadas, S.A., 5% owned by Clínica Médico Cirúrgica de Santa Tecla, S.A. and 10% owned by CLISA – Clínica de Santo António, S.A.
- (42) Centro Médico PJ Ltda. is 99.999948% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.0000052% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (43) Frontier Medex Tanzania Limited is 99% owned by Frontier MEDEX Limited. The remaining 1% is owned by a former officer of Frontier MEDEX Limited and is being transferred to UnitedHealthcare International I BV.

- (44) Optum Solutions do Brasil – Tecnologia e Serviços de Suporte Ltda., is 99.999998% owned by Optum Global Solutions International B.V. and 0.00002% owned by OptumInsight, Inc.
- (45) Multiangio Ltda. is 68% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 32% is owned by external shareholders.
- (46) Polo Holdco, LLC is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% being owned by an outside third party.
- (47) Excellion Serviços Biomédicos Ltda is 99.999997% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000003% is owned by Cemed Care - Empresa de Atendimento Clínico Geral Ltda.
- (48) Hospital Samaritano de São Paulo Ltda. is 99.9999998% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 0.0000002% is owned by Hospital Alvorada Taguatinga Ltda.
- (49) Branch office located in Hong Kong.
- (50) ABCO India Private Limited is 99% owned by ABCO International Holdings, LLC and 1% owned by The Advisory Board Company.
- (51) TBD
- (52) TBD
- (53) ProHEALTH Medical Management, LLC is 80% owned by Collaborative Care Holdings, LLC and 20% owned by an external shareholder.
- (54) ProHEALTH Fitness of Lake Success, LLC is 82.62% owned by ProHEALTH Medical Management, LLC and 17.38% by an external shareholder.
- (55) Savvysherpa Asia, Inc. is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
- (56) Fortify Technologies Asia, LLC is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
- (57) Virtual Therapeutics Corporation is 67% owned by Savvysherpa, LLC and the remaining 33.4% is owned by an outside third party.
- (58) BriovaRx Infusion Services 301, LP is 99.95% owned by AxelaCare Holdings, Inc. with the remaining 0.05% interest as a limited partner being held by BriovaRx Infusion Services 305, LLC.
- (59) TBD
- (60) Hospitais Associados de Pernambuco Ltda. is 90% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10% is owned by an external shareholder.
- (61) Topimagem Diagnóstico por Imagem Ltda. is 89% owned by Esho – Empresa de Serviços Hospitalares S.A., and the remaining 11% interest is owned by external shareholders.
- (62) Dilab – Medicina Nuclear Ltda is 85% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 15% is owned by external shareholders.
- (63) WellMed Networks – DFW, Inc. is 50% owned by WellMed Networks, Inc. and 50% owned by USMD Inc. WellMed Medical Management, Inc. controls 100% of WellMed Networks - DFW.
- (64) Clínica Oftalmológica Danilo de Castro Sociedade Simples is 99.66% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.333333% is owned by Lotten-Eyes Oftalmologia Clínica e Cirúrgica Ltda.
- (65) Lotten-Eyes Oftalmologia Clínica e Cirúrgica Ltda. is 99.99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.000012% is owned by Esho – Empresa de Serviços Hospitalares S.A.
- (66) CMO – Centro Médico de Oftalmologia S/S Ltda. is 99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 1% is owned by Lotten-Eyes Oftalmologia Clínica e Cirúrgica Ltda.
- (67) TBD

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**Notes**

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (68) Elual Participações S.A. is 60% owned by Amil Assistência Médica Internacional S.A. and 40% by Esho – Empresa de Serviços Hospitalares S.A.
- (69) Hospital Santa Helena S.A. is 65.21% owned by Elual Participações S.A. and 33.60% owned by Esho – Empresa de Serviços Hospitalares S.A. and 1.19% is owned by external shareholder
- (70) Santa Helena Assistência Médica S.A. is 65.21% owned by Elual Participações S.A. and the remaining 33.60% is owned by Amil Assistência Médica Internacional S.A. and 1.19% is owned by external shareholder
- (71) N/A
- (72) Hospital Ana Costa S.A. is 57.41% owned by Plano de Saúde Ana Costa Ltda., 13.012% by Hospital Alvorada Taguatinga Ltda. and the remaining 29.576% is owned by external shareholders.
- (73) Pomerado Outpatient Surgical Center, Inc. holds a 50.75% general partnership interest and 6% limited partnership interest in Pomerado Outpatient Surgical Center, L.P.
- (74) Pasteur Plaza Surgery Center GP, Inc. holds a 51% general partnership interest and a 27.706% limited partnership interest in Pasteur Plaza Surgery Center, L.P.
- (75) Surgery Center Holding, LLC holds a 51% general partnership interest and a 23.94% limited partnership interest in B.R.A.S.S. Partnership in Commendam
- (76) The remaining 25% membership interest is owned by Trinity Health-New England, Inc.
- (77) Connecticut Surgical Center, LLC holds a 51% general partnership interest and a 14% limited partnership interest in Connecticut Surgery Center, Limited Partnership.
- (78) SCA of Clarksville, Inc. holds a 51% general partnership interest and a 49% limited partnership interest in Surgery Center of Clarksville, L.P.
- (79) Surgery Center of Vero Beach, Inc. holds a 40% general partnership interest and a 59% limited partnership interest in Indian River Surgery Center, Ltd.
- (80) TBD
- (81) TBD
- (82) TBD
- (83) SCA Salt Lake Surgical Center, Inc. holds a 71.25% limited partnership interest and a 20% general partnership interest in Salt Lake Surgical Center, L.P.
- (84) Wauwatosa Outpatient Surgery Center, LLC holds a 51% limited partnership interest in Wauwatosa Surgery Center, Limited Partnership.
- (85) Surgery Centers-West Holdings, LLC holds a 71% limited partnership interest and a 1% general partnership interest in Golden Triangle Surgicenter, L.P.
- (86) TBD
- (87) TBD
- (88) Mississippi Surgery Holdings, LLC holds a 41% general partnership interest and a 59% limited partnership interest in Mississippi Surgical Center Limited Partnership.
- (89) TBD
- (90) TBD
- (91) TBD
- (92) TBD
- (93) TBD
- (94) TBD
- (95) Northern Rockies Surgicenter, Inc. holds a 51% general partnership interest and a 4.25% limited partnership interest in Northern Rockies Surgery Center, L.P.
- (96) NSC Lancaster, LLC holds a 81.24% limited partnership interest and a 1% general partnership interest in Antelope Valley Surgery Center, L.P.

- (97) NSC Sarasota, Inc. holds a 81.1% limited partnership interest and a 1.02% general partnership interest in Sarasota Endoscopy Center, L.P.
- (98) NSC Upland, LLC holds an 80% general partnership interest and a 12.81% limited partnership interest in Upland Outpatient Surgical Center, L.P.
- (99) TBD
- (100) Surgicare of Minneapolis, LLC holds a 50% general partnership interest and a 30.5% limited partnership interest in Surgicare of Minneapolis, Ltd., a MN Limited Partnership
- (101) TBD
- (102) Waco Outpatient Surgical Center, Inc. holds a 51% general partnership interest and a 48% limited partnership interest in Waco Surgical Center, Ltd.
- (103) Blackstone Valley Surgicare GP, LLC holds a 40% general partnership interest and a 59% limited partnership interest in Blackstone Valley Surgicare Acquisition, L.P.
- (104) Wayland Square Surgicare GP, Inc. holds a 40% general partnership interest and a 59% limited partnership interest in Wayland Square Surgicare Acquisition, L.P.
- (105) Northwest Surgicare, LLC holds a 51% general partnership interest and a 5% limited partnership interest in Northwest Surgicare, Ltd., an IL Limited Partnership
- (106) Surgery Center of Des Moines, LLC holds a 51% general partnership interest and a 14.85% limited partnership interest in Surgery Centers of Des Moines, Ltd., an IA Limited Partnership
- (107) TBD
- (108) Surgery Center of Louisville, LLC holds a 51% general partnership interest and a 14.4% limited partnership interest in Louisville S.C., Ltd.
- (109) TBD
- (110) Surgery Center of Easton, LLC holds a 57% general partnership interest in The Surgery Center of Easton, L.P.
- (111) TBD
- (112) TBD
- (113) The remaining 1% membership interest is owned by SCA Affiliates, LLC
- (114) TBD
- (115) TBD
- (116) TBD
- (117) SCA-Mt. Pleasant, LLC holds a 51% general partnership interest and a 44.41% limited partnership interest in Mt. Pleasant Surgery Center, L.P.
- (118) TBD
- (119) TBD
- (120) TBD
- (121) TBD
- (122) SCA-Citrus, Inc. holds a 52% general partnership interest and a 5% limited partnership interest in Citrus Regional Surgery Center, L.P.
- (123) SCA-Eugene, Inc. holds a 51% general partnership interest and a 41% limited partnership interest in McKenzie Surgery Center, L.P.
- (124) SCA-Merritt, LLC holds a 50.08% general partnership interest in Space Coast Surgery Center, Ltd.
- (125) SCA-Florence, LLC holds a 50% general partnership interest in Florence Surgery Center, L.P.
- (126) SCA-South Jersey, LLC holds a 51% general partnership interest and a 19.95% limited partnership interest in Surgical Center of South Jersey, Limited Partnership. SC Affiliates, LLC also holds a 0.73% limited partnership interest in Surgical Center of South Jersey, Limited Partnership.
- (127) SCA-Colorado Springs, LLC holds a 51% general partnership interest and a 44% limited partnership interest in Colorado Springs Surgery Center, Ltd.
- (128) TBD
- (129) TBD

- (130) TBD
- (131) TBD
- (132) TBD
- (133) Gadsden Surgery Center, LLC holds a 51% general partnership interest and a 6.5% limited partnership interest in Gadsden Surgery Center, Ltd.
- (134) TBD
- (135) SCA-Northeast Georgia Health, LLC holds a 51% general partnership interest and a 35% limited partnership interest in Gainesville Surgery Center, L.P.
- (136) TBD
- (137) TBD
- (138) TBD
- (139) TBD
- (140) TBD
- (141) SCA Stonegate Holdings, LLC holds a 52% general partnership interest in Stonegate Surgery Center, L.P.
- (142) TBD
- (143) TBD
- (144) Redlands Ambulatory Surgery Center holds a 51% general partnership interest and a 7.22% limited partnership interest in Inland Surgery Center, L.P. SC Affiliates also holds a 13.03% limited partnership interest in Inland Surgery Center, L.P.
- (145) Bakersfield-SC, LLC holds a 25% general partnership interest and a 71% limited partnership interest in Bakersfield Physicians Plaza Surgical Center, L.P.
- (146) Bakersfield Physicians Plaza Surgical Center, L.P. holds a 99% general partnership interest and Physicians Plaza Holdings, LLC holds a 1% limited partnership interest in Southwest Surgical Center of Bakersfield, L.P.
- (147) TBD
- (148) TBD
- (149) Muskogee Surgical Investors, LLC holds a 51% general partnership interest and a 17.5% limited partnership interest in Three Rivers Surgical Care, L.P.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Golden Rule Insurance Company

**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Fines and Penalties .....	75,000	75,000
2505. Unclaimed Property Payable .....	168	134,951
2597. Summary of remaining write-ins for Line 25 from overflow page	75,168	209,951

Additional Write-ins for Exhibit 2 Line 9.3

	Insurance				5 Investment	6 Total
	1	2 Accident and Health		4 All Other Lines of Business		
	Life	Cost Containment	3 All Other			
09.304. Professional Fees & Consulting .....	23,175	1,829,614	16,384,989			18,237,778
09.305. Training and Recruiting .....	714	56,400	505,088			562,202
09.397. Summary of remaining write-ins for Line 9.3 from overflow page	23,889	1,886,014	16,890,077	0	0	18,799,980

## ALPHABETICAL INDEX

### ANNUAL STATEMENT BLANK

Analysis of Increase in Reserves During The Year .....	7
Analysis of Operations By Lines of Business .....	6
Asset Valuation Reserve Default Component .....	30
Asset Valuation Reserve Equity .....	32
Asset Valuation Reserve Replications (Synthetic) Assets .....	35
Asset Valuation Reserve .....	29
Assets .....	2
Cash Flow .....	5
Exhibit 1 - Part 1 - Premiums and Annuity Considerations for Life and Accident and Health Contracts .....	9
Exhibit 1 - Part 2 - Dividends and Coupons Applied, Reinsurance Commissions and Expense .....	10
Exhibit 2 - General Expenses .....	11
Exhibit 3 - Taxes, Licenses and Fees (Excluding Federal Income Taxes) .....	11
Exhibit 4 - Dividends or Refunds .....	11
Exhibit 5 - Aggregate Reserve for Life Contracts .....	12
Exhibit 5 - Interrogatories .....	13
Exhibit 5A - Changes in Bases of Valuation During The Year .....	13
Exhibit 6 - Aggregate Reserves for Accident and Health Contracts .....	14
Exhibit 7 - Deposit-Type Contracts .....	15
Exhibit 8 - Claims for Life and Accident and Health Contracts - Part 1 .....	16
Exhibit 8 - Claims for Life and Accident and Health Contracts - Part 2 .....	17
Exhibit of Capital Gains (Losses) .....	8
Exhibit of Life Insurance .....	25
Exhibit of Net Investment Income .....	8
Exhibit of Nonadmitted Assets .....	18
Exhibit of Number of Policies, Contracts, Certificates, Income Payable and Account Values .....	27
Five-Year Historical Data .....	22
Form for Calculating the Interest Maintenance Reserve (IMR) .....	28
General Interrogatories .....	20
Jurat Page .....	1
Liabilities, Surplus and Other Funds .....	3
Life Insurance (State Page) .....	24
Notes To Financial Statements .....	19
Overflow Page For Write-ins .....	55
Schedule A - Part 1 .....	E01
Schedule A - Part 2 .....	E02
Schedule A - Part 3 .....	E03
Schedule A - Verification Between Years .....	SI02
Schedule B - Part 1 .....	E04
Schedule B - Part 2 .....	E05
Schedule B - Part 3 .....	E06
Schedule B - Verification Between Years .....	SI02
Schedule BA - Part 1 .....	E07
Schedule BA - Part 2 .....	E08
Schedule BA - Part 3 .....	E09
Schedule BA - Verification Between Years .....	SI03
Schedule D - Part 1 .....	E10
Schedule D - Part 1A - Section 1 .....	SI05
Schedule D - Part 1A - Section 2 .....	SI08
Schedule D - Part 2 - Section 1 .....	E11
Schedule D - Part 2 - Section 2 .....	E12
Schedule D - Part 3 .....	E13
Schedule D - Part 4 .....	E14
Schedule D - Part 5 .....	E15
Schedule D - Part 6 - Section 1 .....	E16
Schedule D - Part 6 - Section 2 .....	E16
Schedule D - Summary By Country .....	SI04
Schedule D - Verification Between Years .....	SI03
Schedule DA - Part 1 .....	E17
Schedule DA - Verification Between Years .....	SI10

**ANNUAL STATEMENT BLANK (Continued)**

Schedule DB - Part A - Section 1 .....	E18
Schedule DB - Part A - Section 2 .....	E19
Schedule DB - Part A - Verification Between Years .....	SI11
Schedule DB - Part B - Section 1 .....	E20
Schedule DB - Part B - Section 2 .....	E21
Schedule DB - Part B - Verification Between Years .....	SI11
Schedule DB - Part C - Section 1 .....	SI12
Schedule DB - Part C - Section 2 .....	SI13
Schedule DB - Part D - Section 1 .....	E22
Schedule DB - Part D - Section 2 .....	E23
Schedule DB - Verification .....	SI14
Schedule DL - Part 1 .....	E24
Schedule DL - Part 2 .....	E25
Schedule E - Part 1 - Cash .....	E26
Schedule E - Part 2 - Cash Equivalents .....	E27
Schedule E - Part 3 - Special Deposits .....	E28
Schedule E - Verification Between Years .....	SI15
Schedule F .....	36
Schedule H - Accident and Health Exhibit - Part 1 .....	37
Schedule H - Part 2, Part 3 and Part 4 .....	38
Schedule H - Part 5 - Health Claims .....	39
Schedule S - Part 1 - Section 1 .....	40
Schedule S - Part 1 - Section 2 .....	41
Schedule S - Part 2 .....	42
Schedule S - Part 3 - Section 1 .....	43
Schedule S - Part 3 - Section 2 .....	44
Schedule S - Part 4 .....	45
Schedule S - Part 5 .....	46
Schedule S - Part 6 .....	47
Schedule S - Part 7 .....	48
Schedule T - Part 2 Interstate Compact .....	50
Schedule T - Premiums and Annuity Considerations .....	49
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group .....	51
Schedule Y - Part 1A - Detail of Insurance Holding Company System .....	52
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates .....	53
Summary Investment Schedule .....	SI01
Summary of Operations .....	4
Supplemental Exhibits and Schedules Interrogatories .....	54