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

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

Examination of Golden Rule Insurance Company

NOTICE OF ENTRY OF ORDER

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

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

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

April 9, 2014
Date

Cynthia D. Donovan
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 9214 8901 0661 5400 0030 3260 53

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

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

Examination of Golden Rule Insurance Company

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Golden Rule Insurance Company (hereinafter "Company") for the time period January 1, 2008 through December 31, 2012.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on December 27, 2013.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on February 25, 2014 and was received by the Company on February 27, 2014.

On March 14, 2014, pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company's response.

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

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

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2012.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance laws of the state of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, as amended, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.

2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination, as amended. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.

3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed and Sealed this 9 day of April, 2014.

Stephen W. Robertson
Insurance Commissioner

ABOUT AFFIRMATIONS

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

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

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

STATE OF INDIANA

Department of Insurance

REPORT OF EXAMINATION

OF

GOLDEN RULE INSURANCE COMPANY

NAIC CO. CODE 62286
NAIC GROUP CODE 0707

As of

December 31, 2012

TABLE OF CONTENTS

STATE OF INDIANA

IDOI

MICHAEL R. PENCE, Governor

Indiana Department of Insurance
311 W. Washington Street, Suite 300
Indianapolis, Indiana 46204-2787
Telephone: (317) 232-2385
Fax: (317) 232-5251
Stephen W. Robertson, Commissioner

December 27, 2013

Honorable Stephen W. Robertson, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3747, an examination has been made of the affairs and financial condition of:

Golden Rule Insurance Company
7440 Woodland Drive
Indianapolis, Indiana 46278

hereinafter referred to as the "Company", or "GRIC", an Indiana domestic, stock, life insurance company. The examination was conducted at the corporate offices of Golden Rule Insurance Company in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2012, is hereby respectfully submitted.

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) as of the period ending December 31, 2007. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2008 through December 31, 2012, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles, and Annual Statement instructions, when applicable to domestic state regulations.

The examination was called in accordance with the Handbook guidelines, through the NAIC's Financial Exam Electronic Tracking System. The INDOI issued the exam call, and the Wisconsin Office of the Commissioner of Insurance (WIDOI) and the California Department of Insurance (CADOI) responded and participated in this examination with Indiana designated a facilitating state. The WIDOI and CADOI will rely on the work completed by the INDOI, to the extent possible, in addition to performing their own procedures as deemed necessary. The participating states will assess the financial condition and corporate affairs of the Wisconsin and California domiciled companies, and report any material adverse findings in accordance with established procedures.

This examination is part of an NAIC coordinated examination for UnitedHealth Group Incorporated (UHG) companies with the Texas Department of Insurance being the coordinating state for 2012 examinations and the Connecticut Department of Insurance being the lead regulator for UHG.

Jeff Beckley, FSA, MAAA, of Actuarial Options, LLC provided all actuarial services throughout the examination and conducted a review of the Company's loss reserves and loss adjustment expense reserves and other material items as of December 31, 2012.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

HISTORY

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

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

CAPITAL AND SURPLUS

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

DIVIDENDS TO STOCKHOLDERS

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

Year	Total	Ordinary Dividends	Extraordinary Dividends
2012	$150,000,000	$ 75,000,000	$75,000,000
2011	100,000,000	100,000,000	-
2010	75,000,000	75,000,000	-
2009	238,000,000	-	238,000,000
2008	147,374,000	17,374,000	130,000,000
Total	$710,374,000	$267,374,000	$443,000,000

In accordance with Indiana Code (IC) 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net gain from operations of such insurer in the prior year. The Company paid three (3) extraordinary dividends during the examination period with the prior approval of the INDOI. Other dividends paid during the examination period were ordinary in nature and did not require prior regulatory approval. In accordance with IC 27-1-23-1.5, the Company notified the INDOI of all declared dividends to the parent during the examination period.

TERRITORY AND PLAN OF OPERATION

The Company is domiciled in Indiana and is licensed to sell life, annuity, and accident and health insurance in all states except New York, through independent agents, sponsored marketing programs, internet, and direct selling. There were no new states licensed since the prior examination. The Company's accident and health revenues are primarily derived from the sale of individual major medical policies. The Company's life and annuity revenues are primarily derived from long-term care investment products, single premium and flexible premium annuities, term life, and whole life.

The Company has its home office in Indianapolis, Indiana and administrative offices in Lawrenceville, Illinois, Vincennes, Indiana, and Green Bay, Wisconsin.

The Company underwrites its policies and endorsements with their in-house underwriting staff. The health insurance portfolio of products includes co-pay plans, critical illness plans, dental plans, disability income plans, health savings account plans, high deductible and basic plans, and short term medical plans. Co-pay plans are designed for individuals and families who want help managing their routine medical expenses, plus coverage for major health care expenses. Health savings account plans help customers take control of their health care expenses with a tax-favored savings account and medical coverage. High deductible and basic plans are designed for individuals and families willing to take additional responsibility for routine health care expenses in exchange for lower premiums.

The Company markets its products through four (4) channels: career agents of other carriers with whom the Company has distribution agreements, independent insurance producers, internet channels, and producers who are full-time employees (i.e. direct sales).

GROWTH OF THE COMPANY

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

Year	Admitted Assets	Liabilities	Capital and Surplus	Premiums and Annuities	Net Income
2012	$782,483,247	$490,190,818	$292,292,429	$1,879,479,707	$127,646,458
2011	814,867,949	502,784,368	312,083,581	1,673,447,329	104,640,834
2010	694,018,764	389,221,413	304,797,351	1,566,294,431	202,012,596
2009	524,422,011	348,629,383	175,792,628	1,324,297,429	156,253,489
2008	613,698,501	345,887,067	267,811,434	1,260,647,127	144,741,404

Premiums grew steadily throughout the examination period. Net income grew in all years during the examination period except 2011. The decrease in 2011 was mainly attributable to accrued medical loss ratio rebates from the implementation of the Affordable Care Act and an increase in benefits incurred. The increase in benefits incurred was driven by increased membership, increased benefits utilization of policies covering 100% of preventative care, and an increasing proportion of renewal year members, who typically have higher benefits utilization.

The Company's assets and liabilities increased every year during the examination period except 2012, mainly due to the growth discussed above. The 2012 decrease in liabilities was primarily due to a decrease in the provision for experience rating refunds, resulting from increased loss ratios on major medical business. Surplus and Other Funds grew for all years except 2009 and 2012, due to stockholder dividends of $238 million and $150 million, respectively.

MANAGEMENT AND CONTROL

Directors

The Company is managed by the Board of Directors (Board). The Company's Bylaws state the Board shall not be less than five (5) or more than ten (10) in number and shall be elected by the stockholders at the annual meeting. Directors shall be citizens of the United States or Canada, be at least twenty-one (21) years of age, and shall be elected to one (1) year terms. At least one (1) director shall be a resident of the state of Indiana.

The following is a listing of persons serving as directors at December 31, 2012, and their principal occupations as of that date:

Name and Address	Principal Occupation
Patrick F. Carr Indianapolis, Indiana	President, Chief Executive Officer, and Chairman of the Board UnitedHealthcare, Individual Line of Business
Michael L. Corne Indianapolis, Indiana	Vice President, Regulatory Affairs UnitedHealthcare, Employer and Central Region
James M. Gabriel Green Bay, Wisconsin	Senior Vice President and Chief Actuary UnitedHealthcare, Individual Line of Business
Darrell S. Richey Indianapolis, Indiana	Assistant Secretary and Executive Counsel, Attorney UnitedHealthcare, Individual Line of Business
Julie A. Van Straten Green Bay, Wisconsin	Secretary, Vice President, and General Counsel, Attorney UnitedHealthcare, Individual Line of Business

Officers

The Company's Bylaws state that the officers are elected by the Board and are to include a President, one (1) or more Vice Presidents, a Treasurer, and a Secretary. In addition, the Board may elect a Chairman and Chief Executive Officer. Any two (2) or more offices other than those of President and Secretary, may be held by the same person.

The following is a list of key officers and their respective titles as of December 31, 2012:

Name	Office
Patrick F. Carr	President, Chief Executive Officer, and Chairman of the Board
Julie A. Van Straten	Secretary, Vice President, and General Counsel
Robert W. Oberrender	Treasurer
Brian L. Davis	Vice President and Chief Financial Officer
James M. Gabriel	Senior Vice President and Chief Actuary

Corporate Governance

Corporate governance was evaluated through a review of the Company's corporate governance procedures, Executive Officer and Board member interviews, Board meeting minutes, UHG committee minutes, and other various examination documentation obtained by the INDOI in its coordinated examination of the Company's affiliates. The Corporate Governance review followed the format provided by Exhibit M of the Handbook.

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that the directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of year-end 2012.

OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that each director subscribed to an Oath of Office statement in 2012.

CORPORATE RECORDS

Articles of Incorporation

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

Bylaws

The Company's Bylaws were amended and restated effective March 24, 2010. The Bylaws were appropriately filed, authorized, and approved by the INDOI and all provisions are complied with.

Minutes

The Board and Shareholder meeting minutes were reviewed for the period under examination through the fieldwork date and significant actions taken during each meeting were noted. It was noted that the annual meetings and other regular Board meetings were held in accordance with the Company's Bylaws.

AFFILIATED COMPANIES

Organizational Structure

UHG has 83 insurance entities, domiciled in 33 states, which were licensed in 56 jurisdictions. This abbreviated organizational chart shows the affiliated insurance companies and direct, upstream parent companies as of December 31, 2012.

	NAIC Co. Code	Domiciliary State
UnitedHealth Group Incorporated		MN
Golden Rule Financial Corporation		DE
Golden Rule Insurance Company	**62286**	**IN**
All Savers Insurance Company	**82406**	**IN**
All Savers Life Insurance Company of California	73130	CA
American Medical Security Life Insurance Company	97179	WI

Affiliated Agreements

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

Subordinated Revolving Credit Agreement
UHG provides a short-term borrowing facility for the Company as needed. The agreement was amended effective July 1, 2012, and has a limit of $150 million with an interest rate of London Interbank Offered Rate plus 50 basis points. There was no balance outstanding under the line of credit as of year-end 2012.

Management and Consulting Agreement
GRIC entered into a Management and Consulting Agreement with GRFC effective December 1, 1982, that was amended January 2007. Management fees are charged for management consulting administrative services and allocated to GRFC subsidiaries on a pro-rated basis. The fees associated with this agreement during 2012 were $4.2 million.

Cost Reimbursement Agreement
Effective March 1, 2006, GRIC and United HealthCare Services, Inc. (UHS) entered into a Cost Reimbursement Agreement that allows UHS to provide services to GRIC and GRIC to provide services to UHS (except for employment). The agreement allows GRIC to provide insurance administration services to UHS and its affiliates. In connection with GRIC's redomestication to Indiana, the INDOI did not disapprove the agreement on January 16, 2007. Effective December 17, 2007, GRIC amended the agreement to change the payment due date provisions. The INDOI did not disapprove the amendment on December 17, 2007. The fees associated with this agreement during 2012 were $255.5 million.

This Cost Reimbursement Agreement also governs the private short-term money market investment pool in which these affiliated companies may participate. At December 31, 2012, the Company's balance was $4.3 million and was included in Cash, Cash Equivalents, and Short-Term Investment in the Annual Statement.

Cost Reimbursement Agreement
Effective June 19, 2009, All Savers Insurance Company (ASIC), American Medical Security Life Insurance Company (AMSLIC), GRFC, GRIC, and UHS entered into a Cost Reimbursement Agreement under which UHS and other affiliates of UHS, including AMSLIC, GRFC, and GRIC provide actuarial consulting, administrative, financial, insurance administration, legal, and other services to ASIC. The INDOI did not disapprove the agreement on June 10, 2009. The fees associated with this agreement during 2012 were $2.8 million.

Cost Reimbursement Agreement
Effective December 10, 2006, AMSLIC, GRFC, GRIC, and UHS entered into an agreement for UHS and affiliates to provide services to AMSLIC and for AMSLIC to provide services to UHS, for the benefit of affiliated companies, including GRIC and GRFC. The named services include actuarial consulting, administrative, financial, insurance administration, legal, and other services. The INDOI did not disapprove the agreement on March 26, 2007. The fees associated with this agreement during 2012 were $21.6 million.

First Restated Tax Sharing Agreement
Effective January 1, 2005, ASIC and GRIC became parties to the First Restated Tax Sharing Agreement dated January 1, 1997, between UHG and its subsidiaries. The First Restated Tax Sharing Agreement establishes a formal method for the allocation and payment of federal, state, and local income tax liabilities related to the consolidated federal tax returns of UHG and its subsidiaries filed each year. The INDOI did not disapprove the agreement on December 7, 2006. For fiscal year 2012, the tax liability allocated to GRIC was $62.3 million.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued to UHG by National Union Fire Insurance Company that is limited to $10,000,000 coverage. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force at December 31, 2012, including, but not limited to, automobile liability, commercial general liability, commercial property, errors and omissions, professional liability, umbrella liability, and workers' compensation.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company has no compensated absence plans, consolidated/holding company plans, defined benefit plans, defined contribution plans, multiemployer plans, and postemployment benefits, and is not impacted by the Medicare Modernization Act of postretirement benefits. All personnel are employees of affiliated companies, which provide services to the Company under the terms of a management agreement.

STATUTORY DEPOSITS

The Company reported the following statutory deposits at December 31, 2012:

State	Book Value	Fair Value
For All Policyholders:		
Illinois	$1,649,611	$2,170,725
Indiana	1,295,893	1,322,352
Virginia	103,071	103,536
All Other Special Deposits:		
Georgia	69,700	87,911
Massachusetts	100,231	142,375
Missouri	268,427	386,525
North Carolina	730,685	1,039,042
South Carolina	179,892	239,986
Total Deposits	$4,397,510	$5,492,452

REINSURANCE

The Company cedes 100% of the total risk on individual life policies, except group life and term life riders. The ceding commission, net of tax, generated from entering into this agreement was previously recorded directly to Surplus. Per SSAP 61, the net ceding commission is amortized back into income with a corresponding decrease to Surplus, thus having no effect on Surplus.

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

GRIC has reinsured its accident and health, annuity, and life business primarily with The State Life Insurance Company and Munich American Reassurance Company. Both are rated "A+" currently by A. M. Best. It was noted the reserve credit claimed has changed only slightly since the prior examination. Two (2) new reinsurance contracts have been entered into during the examination period but neither is financially significant.

GRIC had no assumed business during the examination period.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2011 and 2012, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2008 through December 31, 2012, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

GOLDEN RULE INSURANCE COMPANY
Assets
As of December 31, 2012

	Per Examination*
Bonds	$ 571,631,533
Real estate:	
Properties occupied by the company	4,063,586
Cash, cash equivalents and short-term investments	131,836,018
Other invested assets	23,245,962
Subtotals, cash and invested assets	730,777,099
Investment income due and accrued	6,121,675
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	14,632,372
Reinsurance:	
Amounts recoverable from reinsurers	834,943
Other amounts receivable under reinsurance contracts	770,793
Current federal and foreign income tax recoverable and interest thereon	12,751,247
Net deferred tax asset	13,239,829
Guaranty funds receivable or on deposit	1,892,115
Electronic data processing equipment and software	1,463,173
Totals	$ 782,483,247

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

GOLDEN RULE INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2012

	Per Examination*
Aggregate reserve for life contracts	$ 72,011
Aggregate reserve for accident and health contracts	97,875,084
Contract claims:	
Life	503,855
Accident and health	194,191,137
Premiums and annuity considerations for life and accident and health contracts received in advance	24,770,419
Contract liabilities not included elsewhere:	
Provision for experience rating refunds, including the liability of accident and health experience rating refunds	51,744,922
Other amounts payable on reinsurance	24,657
Interest maintenance reserve (IMR)	9,529,837
Commissions to agents due or accrued-life and annuity contracts, accident and health and deposit-type contract funds	5,971,017
General expenses due or accrued	12,322,796
Taxes, licenses and fees due or accrued, excluding federal income taxes	15,782,458
Amounts withheld or retained by company as agent or trustee	150,586
Remittances and items not allocated	3,025,661
Miscellaneous liabilities:	
Asset valuation reserve (AVR)	1,592,614
Payable to parent, subsidiaries and affiliates	4,560,215
Drafts outstanding	48,192,204
Payable for securities	17,474,007
Aggregate write-ins for liabilities	2,407,337
Total liabilities	490,190,818
Common capital stock	3,262,704
Gross paid in and contributed surplus	14,162,016
Aggregate write-ins for special surplus funds	19,341,296
Unassigned funds (surplus)	255,526,413
Surplus	289,029,725
Total surplus and other funds	292,292,429
Total liabilities, surplus and other funds	$ 782,483,247

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

GOLDEN RULE INSURANCE COMPANY
Summary of Operations
For the Year Ended December 31, 2012

	Per Examination*
Premiums and annuity considerations for life and accident and health contracts	$ 1,879,479,707
Net investment income	15,920,981
Amortization of interest maintenance reserve (IMR)	1,744,068
Commissions and expense allowances on reinsurance ceded	4,249,329
Miscellaneous income:	
Aggregate write-ins for miscellaneous income	295,808
Total	1,901,689,893
Death benefits	621,744
Disability benefits and benefits under accident and health contracts	1,341,538,525
Increase in aggregate reserves for life and accident and health contracts	929,177
Totals	1,343,089,446
Commissions on premiums, annuity considerations, and deposit-type contract funds	113,296,974
General insurance expenses	201,947,110
Insurance taxes, licenses and fees, excluding federal income taxes	48,715,307
Aggregate write-ins for deductions	(18,644)
Totals	1,707,030,193
Net gain from operations after dividends to policyholders and before federal income taxes	194,659,700
Federal and foreign income taxes incurred (excluding tax on capital gains)	66,964,791
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses)	127,694,909
Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax	(48,451)
Net income	$ 127,646,458

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

GOLDEN RULE INSURANCE COMPANY
Capital and Surplus Account Reconciliation

	2012	2011	2010	2009	2008
Capital and surplus, December 31, prior year	$312,083,581	$304,797,351	$175,792,628	$267,811,434	$263,874,245
Net income	127,646,458	104,640,834	202,012,596	156,253,489	144,741,404
Change in net deferred income tax	1,420,859	2,185,931	1,773,473	464,439	3,333,968
Change in nonadmitted assets	1,635,972	3,295,838	1,789,523	(8,077,222)	3,084,044
Change in asset valuation reserve	(394,344)	(399,440)	228,321	(860,322)	2,367,121
Cumulative effect of changes in accounting principles	1,699,093	(637,743)	-	-	-
Surplus adjustment:					
Change in surplus as a result of reinsurance	(1,799,190)	(1,799,190)	(1,799,190)	(1,799,191)	(919,305)
Dividends to stockholders	(150,000,000)	(100,000,000)	(75,000,000)	(238,000,000)	(147,374,000)
Aggregate write-ins for gains and losses in surplus	-	-	-	-	(1,296,043)
Net change in capital and surplus for the year	(19,791,152)	7,286,229	129,004,723	(92,018,806)	3,937,189
Capital and surplus, December 31, current year	$292,292,429	$312,083,581	$304,797,351	$175,792,628	$267,811,434

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2012, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no other significant issues noted during the course of this examination.

SUBSEQUENT EVENTS

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

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Actuarial Options, LLC., hereinafter collectively referred to as the "Examiners", performed an examination of Golden Rule Insurance Company, as of December 31, 2012.

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

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

The attached report of examination is a true and complete report of condition of Golden Rule Insurance Company as of December 31, 2012, as determined by the undersigned.

James M. Kattman, CFE
Noble Consulting Services, Inc.

State of: Indiana
County of: Marion

On this 24 day of January, 2014, before me personally appeared, Jim Kattman, to sign this document.

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

My commission expires:

STATE OF INDIANA NOTARY SEAL
SAMANTHA LEIGH DOUGHERTY
Notary Public, State of Indiana
Hendricks County
Commission # 627605
My Commission Expires
July 04, 2019

Notary Public