STATE OF INDIANA

Department of Insurance

REPORT OF EXAMINATION

OF

GOLDEN RULE INSURANCE COMPANY

NAIC CO. CODE 62286

As of

December 31, 2007

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STATE OF INDIANA

MITCHELL E. DANIELS, JR., Governor

IDOI

INDIANA DEPARTMENT OF INSURANCE
311 W. WASHINGTON STREET, SUITE 300
INDIANAPOLIS, INDIANA 46204-2787
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JAMES ATTERHOLT, Commissioner

April 16, 2009

Honorable Alfred W. Gross
Chair, NAIC Financial Condition (E) Committee
Commissioner, Virginia Bureau of Insurance
State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219

Honorable James Atterholt
Commissioner, Indiana Department of Insurance
311 W. Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioners:

Pursuant to the authority vested in Appointment Number 3564, an examination has been made of the affairs and financial condition of:

Golden Rule Insurance Company
7440 Woodland Drive
Indianapolis, Indiana 46278

an Indiana domiciled life, accident and health insurance company hereinafter referred to as the "Company". The examination was conducted at the Company's corporate offices in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2007, is hereby respectfully submitted.

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Illinois Department of Insurance as of the period ending December 31, 2002. The present examination was conducted by Noble Consulting Services, Inc. (Noble) and covered the period from January 1, 2003 through December 31, 2007 and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

In conducting the examination, the Indiana Department of Insurance (IDOI), by its representatives, relied upon the independent audit reports and opinions contained therein rendered by Deloitte & Touche, LLP for each year of the examination period. Such reports were prepared on a statutory basis and reconciled to the financial statements contained in the respective Annual Statements.

Jeffrey Beckley, FSA, MAAA, of Actuarial Options, LLC, a consulting actuary appointed by the IDOI, conducted a review of the Company's statutory reserves as of December 31, 2007.

Additionally, Noble conducted a review of the information systems controls. Although no material findings were noted, a detailed report summarizing the findings and recommendations has been provided to management.

The examination was conducted in accordance with procedures and guidelines prescribed by the National Association of Insurance Commissioners (NAIC) for the purpose of determining the Company's financial condition. Examination procedures included the verification and evaluation of assets, determinations of liabilities, review of income and disbursement items, minutes, corporate documents, policy and claim files, and other records to the extent deemed necessary.

HISTORY

The Company was incorporated in Illinois on June 17, 1959 and commenced operations on June 23, 1961. Originally incorporated as St. Anthony Life Insurance Company, it assumed the name of Congressional Life Insurance Company in 1962 and the present name was adopted in June 1977. The Company is a wholly owned subsidiary of Golden Rule Financial Corporation (GRFC). The Company is licensed to sell life, annuity, and accident and health policies in forty nine (49) states, Guam, and the District of Columbia. The Company primarily markets individual health insurance products.

On November 13, 2003, 100% of GRFC and its subsidiaries were acquired by UnitedHealth Group, Incorporated (UHG). UHG is a diversified health and well-being company, serving approximately 70 million Americans. UnitedHealthcare (UHC) is the insurance business segment of UHG in which the Company operates. UHC markets both group and individual lines of health insurance. UHG was incorporated in Minnesota in 1977. The executive offices of UHG are maintained in Minnetonka, MN.

In October 2005, the life and annuity business of the Company was ceded to The State Life Insurance Company to more closely align the Company's operations with those of UHG. The State Life Insurance Company is a member of the OneAmerica group of insurance companies. The Company's current focus is on individual lines accident and health with life and annuity premium comprising less than 1% of writings.

The Company redomesticated, with state approval, from Illinois to Indiana effective October 2, 2006.

CAPITAL AND SURPLUS

The Company is authorized to issue one million (1,000,000) shares of $4 par value common stock. There were 815,676 shares issued and outstanding as of December 31, 2007. All shares are Class A shares owned by its parent, GRFC. The Company has no preferred stock. The Company paid ordinary dividends of $165 million in 2007 to its parent. The Company paid extraordinary dividends of $250 million, $138 million, $70 million, and $20 million in 2006, 2005, 2004, and 2003, respectively.

As a result of the dividends to UHG, the Company's NAIC risk-based capital ratio has continued to decrease since 2005 but remains high at 735.3% as of year-end 2007.

Capital and surplus decreased 10% from year-end 2006 to year-end 2007 in part due to dividends to its parent. Dividends in 2007 included the transfer of all outstanding capital stock of All Savers Insurance Company and Rooney Life Insurance Company to GRFC.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to transact business in forty nine (49) states, Guam, and the District of Columbia as of December 31, 2007. The Company does not hold a license in the State of New York.

The Company is the primary writer in the individual health business segment for UHC as of year-end 2007. The primary products written by the Company include co-pay plans, high deductible and basic plans, health savings accounts for self insureds, short term medical plans, and Medicare supplement plans.

The Company utilizes several distribution channels: traditional independent agents (approximately 78,000 independent licensed brokers), sponsored plans, key brokers, and Internet (e.g. "eHealth"). In addition, the Company markets its products through producers who are full time employees of the Company and career agents of other carriers with whom the Company has distribution agreements.

The Company's plan for increasing membership includes geographical expansion as well as additions in product offerings as market conditions allow. Enhancements are planned in the Broker Channel and the Direct to Consumer Channel. The Company hopes to continue to leverage UHG networks, focus on operational efficiencies to lower expense ratios and balance pricing versus market share versus profitability.

GROWTH OF THE COMPANY

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

Year	Admitted Assets	Liabilities	Capital & Surplus	Premiums Earned	Net Income (Loss)
2007	$ 590,141,392	$ 326,267,147	$ 263,874,245	$1,128,100,965	$ 162,560,401
2006	596,607,461	304,872,958	291,734,503	996,594,130	191,537,783
2005	825,989,139	450,171,610	375,817,529	1,039,449,049	194,462,427
2004	2,369,025,795	2,094,390,086	274,635,709	1,014,396,908	106,133,256
2003	2,196,244,191	1,958,198,217	238,045,974	1,018,736,368	51,060,139

The decrease in admitted assets and liabilities from 2004 to 2005 was driven by the sale of the Company's life business to The State Life Insurance Company. At that time approximately $1.7 billion in assets and reserves were transferred. At year-end 2007 the Company reported reserve credits for this business of $2 billion. Further description of this transaction is provided in the Reinsurance section below.

Increases in profitability since 2003 are at least partly attributable to the utilization of the UHG provider network and the associated cost savings. UHG maintains an extensive network of providers and provider agreements.

MANAGEMENT AND CONTROL

Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors consisting of not less than five (5) and no more than ten (10) members. The Directors must be elected for a term of not more than one year. The shareholder, at its annual meeting, elects the members of the Board of Directors. The following is a listing of persons serving as Directors at December 31, 2007:

Name and Address	Principal Occupation
Steven L. Pollack Westfield, Indiana	President Golden Rule Insurance Company
Patrick F. Carr Indianapolis, Indiana	Senior Vice President, Chief Financial Officer, Secretary, and Treasurer Golden Rule Insurance Company
Julie A. Van Straten De Pere, Wisconsin	Vice President and General Council Golden Rule Insurance Company
Richard A. Collins Indianapolis, Indiana	Chief Executive Officer Golden Rule Insurance Company
Darrell S. Richey Indianapolis, Indiana	Executive Council

Officers

The Company's Bylaws state the officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, and a Treasurer. The Board of Directors may elect a Chairperson and a Chief Executive Officer. The Chairperson is required to be a Director. The following is a list of key officers and their respective titles as of December 31, 2007:

Name	**Office**
Richard A. Collins	Chief Executive Officer
Steven L. Pollack	President
Patrick F. Carr	Senior Vice President, Chief Financial Officer, Secretary, and Treasurer
Larry D. Jones	Vice President and Controller
Julie A. Van Straten	Vice President and General Council
Susan A. Fowler	Vice President
Michael L. Corne	Vice President
Timothy A. Luker	Appointed Actuary

CONFLICT OF INTEREST

The Company requires officers and Directors to review and sign Conflict of Interest statements on an annual basis. The officers and Directors listed in the management and control section of this Report of Examination have reviewed and signed their statements as of year-end 2007.

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 corporation and will not knowingly violate any of the laws applicable to such corporation. Based on a review of the Oath of Office statements, each Director signed such a statement when elected.

CORPORATE RECORDS

Articles of Incorporation and Bylaws

The Bylaws were amended on October 2, 2006, and the number of Directors was changed to be no less than five (5) and no more than ten (10). The Articles of Incorporation were not amended during the examination period.

Minutes

The Board of Directors, Executive Committee 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 of the Board of Directors were not held in accordance with the Company's Bylaws for years 2005-2007. The Bylaws state that the annual Board meetings are to be held in the month of May. The Company has corrected the noted issue in 2008 by holding an annual meeting during the month of May.

AFFILIATED COMPANIES

Organizational Structure

The following organizational chart, effective as of December 31, 2007, shows the upstream affiliates from the Company to the ultimate controlling entity.

Name of Company	State of Domicile
UnitedHealth Group Incorporated	
Golden Rule Financial Corporation	
Golden Rule Insurance Company	**IN**
All Savers Insurance Company	IN
UnitedHealth One Agency, Inc.	
Rooney Life Insurance Company	CA
American Medical Security Insurance Company	WI

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed and not disapproved with the IDOI as required, in accordance with IC 27-1-23-4.

Management and Consulting Agreement

The Company entered into a Management and Consulting Agreement with GRFC effective December 1, 1982, whereby management fees are charged by GRFC based upon the ratio of management consulting time provided by GRFC to the Company in relation to total management consulting hours provided by GRFC for all GRFC subsidiaries in the holding company system multiplied by 125% of GRFC's general and administrative expenses for the entire holding company system. The estimated ratio of management consulting time provided by GRFC to the Company was 93.5% in 2007 and 2006. Fees were $4.4 million during 2007 and $3.4 million during 2006.

Cost Reimbursement Agreement

The Company entered into a Cost Reimbursement Agreement with UnitedHealthcare Services, Inc. effective March 1, 2006 and amended December 17, 2007. The two parties agreed to reimburse each other for services rendered, including legal, actuarial, administrative, financial, and consulting. The Company reimburses UnitedHealthcare Services, Inc. for all shared services, network access fees, IT charges, payroll and other miscellaneous expenses incurred for the Company's use. These fees are settled weekly, and total fees during 2007 were $77.2 million.

Tax Sharing Agreement
The Company is party to a Tax Sharing Agreement with UHG, whereby the Company agreed to pay an amount to UHG for consolidated purposes equal to a full separate return amount.

Liquidity Pool Agreement
The Company agreed to pool its short term assets with other affiliates of UHG. Each participant owns an undivided interest in the pool, and all investments are owned on a prorate basis. Interest is calculated daily. The pool does not borrow from the monies. The pool allows the Company to increase its investment return, liquidity and flexibility, while mitigating administrative expenses and reducing capital gains and losses. The investment management fee is payable to JP Morgan Chase using a sliding scale based upon the Company's average holdings in the pool. Fees are 0.05% on the first billion and 0.03% on the second billion.

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 by H&W Indemnity, Ltd., with Marsh Management Services Cayman, Ltd. as the broker. The bond has blanket coverage of $10 million. 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, 2007 including, but not limited to, auto liability, directors and officers coverage, crime, fidelity, general liability, property, and worker's compensation.

STATUTORY AND SPECIAL DEPOSITS

The Company reported the following statutory deposits comprised of United States Treasury Notes and Bonds as of December 31, 2007:

State	Book Value	Fair Value
For all Policyholders:		
Indiana	$ 1,216,180	$ 1,274,904
Virginia	121,678	121,456
All Other Special Deposits:		
Georgia	71,234	82,418
Illinois	1,719,452	2,084,366
Massachusetts	100,308	112,664
Minnesota	1,254,665	1,321,624
Missouri	274,129	335,723
New Mexico	150,213	182,823
North Carolina	737,553	839,767
South Carolina	185,507	222,415
Total Deposits	$ 5,830,919	$ 6,578,160

REINSURANCE

Effective October 1, 2005 the Company entered into a sale agreement covering all of their existing life insurance and annuity business except group life and term life riders. The sale was structured as a 100% indemnity reinsurance transaction with The State Life Insurance Company (State Life).

Under the terms of the indemnity reinsurance agreement the Company cedes 100% of its life insurance and annuity business to State Life. Prefatory to this agreement, the Company either terminated several small reinsurance assumed arrangements with other reinsurers or transferred all contractual rights to State Life via novation endorsements.

At December 31, 2007 the Company ceded premiums totaling $166 million and reserves totaling $2.0 billion to State Life pursuant to this agreement.

The above described transaction accounts for more than 99% of the Company's total reinsurance and the Company has no other financially significant reinsurance arrangements in effect at December 31, 2007.

RESERVES

Tim Luker, FSA, MAAA, is the Chief Actuary for the Company. Mr. Luker was appointed by the Board of Directors on June 5, 2006 to render an opinion on the statutory-basis loss reserves of the Company. He rendered an opinion on such reserves for the years ended December 31, 2007 and 2006. Richard Ruppel, ASA, MAAA, provided the opinion for 2005, 2004, and 2003.

The scope of the opinion was to examine the actuarial assumptions and methods used in determining loss reserves and related items, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials. In forming the opinion, information prepared by the Company was relied upon. This information was evaluated for reasonableness and consistency. In other respects, the examination included such review of the actuarial assumptions and methods used and such tests of the calculations as considered necessary.

The 2007 opinion stated that the balances of reserves and related actuarial values 1) are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated, in accordance with sound actuarial principles; 2) are based on actuarial assumptions which produce reserves at least as great as those called for in any contract provision as to reserve basis and method, and are in accordance with all other contract provisions; 3) meet the requirements of the insurance laws and regulations of the State of Indiana and are at least as great as the minimum aggregate amounts required by the state; 4) are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year; 5) include provision for all actuarial reserves and related actuarial items that ought to be established.

During the examination, it was determined that the material actuarial items in the Annual Statement of the Company are materially correct and fairly stated in accordance with statutory accounting practices prescribed or permitted by the Commissioner of Insurance of the State of Indiana.

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, 2007 and 2006 were materially agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2003 through December 31, 2007 were agreed to each year's independent audit report without material exception.

GOLDEN RULE INSURANCE COMPANY

FINANCIAL STATEMENTS

Assets

	As of December 31, 2007			
	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Assets:				
Bonds	$ 386,007,075	$ -	$ 386,007,075	$ 365,195,777
Stocks:				
Common stocks	-	-	-	14,629,315
Real estate:				
Properties occupied by the company	14,164,602	-	14,164,602	14,621,928
Properties held for sale	-	-	-	74,834
Cash, cash equivalents and short-term investments	136,322,027	-	136,322,027	144,881,183
Receivables for securities	247	-	247	35,948
Subtotals, cash and invested assets	$ 536,493,951	$ -	$ 536,493,951	$ 539,438,985
Investment income due and accrued	4,659,000	-	4,659,000	4,017,432
Uncollected premiums and agents' balances in the course of collection	12,834,068	-	12,834,068	9,886,526
Reinsurance:				
Amounts recoverable from reinsurers	286,549	-	286,549	3,059,759
Other amounts receivable under reinsurance contracts	452,801	-	452,801	-
Current federal and foreign income tax recoverable and interest thereon	22,415,221	-	22,415,221	18,000,915
Net deferred tax asset	8,931,552	-	8,931,552	14,819,000
Guaranty funds receivable or on deposit	607,708	-	607,708	483,374
Electronic data processing equipment and software	3,460,542	-	3,460,542	2,794,488
Receivables from parent, subsidiaries and affiliates	-	-	-	4,106,982
Total Assets	**$ 590,141,392**	**$ -**	**$ 590,141,392**	**$ 596,607,461**

GOLDEN RULE INSURANCE COMPANY

FINANCIAL STATEMENTS

Liabilities, Surplus, and Other Funds

	As of December 31, 2007			
	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Liabilities:				
Aggregate reserve for life contracts	$ 93,826	$ -	$ 93,826	$ 92,151
Aggregate reserve for accident and health contracts	86,481,809	-	86,481,809	79,914,903
Contract claims:				
Life	147,317	-	147,317	92,000
Accident and health	127,208,044	-	127,208,044	117,311,311
Premiums and annuity considerations for life and accident and health contracts received in advance	17,783,631	-	17,783,631	16,952,194
Contract liabilities not included elsewhere:				
Provision for experience rating refunds	4,369,000	-	4,369,000	4,781,000
Other amounts payable on reinsurance	-	-	-	3,685,776
Interest maintenance reserve	5,787,056	-	5,787,056	6,241,069
Commissions to agents due or accrued	8,787,110	-	8,787,110	7,776,001
General expenses due or accrued	13,801,646	-	13,801,646	11,038,322
Taxes, license and fees due or accrued, excluding federal income taxes	3,515,444	-	3,515,444	5,790,569
Amounts withheld or retained by company as agent or trustee	15,469,244	-	15,469,244	17,137,598
Remittances and items not allocated	8,147,299	-	8,147,299	5,482,182
Miscellaneous liabilities:				
Asset valuation reserve	2,533,950	-	2,533,950	2,466,392
Payable to parent, subsidiaries and affiliates	891,598	-	891,598	-
Drafts outstanding	29,660,099	-	29,660,099	24,607,015
Aggregate write-ins for liabilities	1,590,076	-	1,590,076	1,504,476
Total Liabilities	**$ 326,267,147**	**$ -**	**$ 326,267,147**	**$ 304,872,958**
Capital and Surplus:				
Common capital stock	$ 3,262,704	$ -	$ 3,262,704	$ 3,262,704
Gross paid in and contributed surplus	14,162,016	-	14,162,016	14,162,016
Aggregate write-ins for special surplus funds	27,457,362	-	27,457,362	10,645,077
Unassigned funds (surplus)	218,992,163	-	218,992,163	263,664,706
Total capital and surplus	**$ 263,874,245**	**$ -**	**$ 263,874,245**	**$ 291,734,503**
Total liabilities, capital and surplus	**$ 590,141,392**	**$ -**	**$ 590,141,392**	**$ 596,607,461**

GOLDEN RULE INSURANCE COMPANY

FINANCIAL STATEMENTS

Summary of Operations

	As of December 31, 2007 Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Premiums and annuity considerations for life and accident and health contracts	$ 1,128,100,965	$ -	$ 1,128,100,965	$ 996,594,130
Net investment income	29,822,387	-	29,822,387	32,863,669
Amortization of Interest Maintenance Reserve	814,972	-	814,972	1,115,094
Commissions and expense allowances on reinsurance ceded	12,986,358	-	12,986,358	31,136,310
Aggregate write-ins for miscellaneous income	6,818,169	-	6,818,169	4,489,847
Total revenues	**$ 1,178,542,851**	**$ -**	**$ 1,178,542,851**	**$ 1,066,199,050**
Death benefits	541,317	-	541,317	388,000
Disability benefits and benefits under accident and health contracts	684,116,808	-	684,116,808	589,673,862
Interest and adjustments on contract or deposit-type contract funds	1,002,371	-	1,002,371	3,810,949
Increase in aggregate reserves for life and accident and health contracts	6,702,248	-	6,702,248	6,487,041
Totals	**$ 692,362,744**	**$ -**	**$ 692,362,744**	**$ 600,359,852**
Commissions on premiums, annuity considerations and deposit-type contract funds	104,046,009	-	104,046,009	80,918,835
General insurance expenses	120,767,917	-	120,767,917	97,824,352
Insurance taxes, licenses and fees, excluding federal income taxes	25,344,686	-	25,344,686	27,824,081
Aggregate write-ins for deductions	73,641	-	73,641	25,529
Totals	**$ 942,594,997**	**$ -**	**$ 942,594,997**	**$ 806,952,649**
Net gain from operations before dividends to policyholders and federal income taxes	$ 235,947,855	$ -	$ 235,947,855	$ 259,246,401
Dividends to policyholders	-	-	-	-
Net gain from operations after dividends to policyholders and before federal income taxes	$ 235,947,855	$ -	$ 235,947,855	$ 259,246,401
Federal and foreign income taxes incurred	73,404,364	-	73,404,364	67,775,908
Net gain from operations after dividends and federal income taxes and before realized capital gains or losses	$ 162,543,490	$ -	$ 162,543,490	$ 191,470,494
Net realized capital gains (losses)	16,911	-	16,911	67,289
Net income	**$ 162,560,401**	**$ -**	**$ 162,560,401**	**$ 191,537,783**
Capital and Surplus Account:				
Capital and surplus, December 31, prior year	$ 291,734,504	$ -	$ 291,734,504	$ 375,817,529
Net income	$ 162,560,401	$ -	$ 162,560,401	$ 191,537,783
Change in net unrealized capital gains (losses) less capital gains tax	539,439	-	539,439	564,920
Change in net deferred income tax	(4,464,639)	-	(4,464,639)	(12,690,000)
Change in nonadmitted assets and related items	(11,833,853)	-	(11,833,853)	4,275,788
Change in asset valuation reserve	(67,557)	-	(67,557)	1,337,584
Change in surplus as a result of reinsurance	(2,704,374)	-	(2,704,374)	(19,109,101)
Dividends to stockholders	(165,168,754)	-	(165,168,754)	(250,000,000)
Aggregate write-ins for gains and losses in surplus	(6,720,921)	-	(6,720,921)	-
Net change in capital and surplus for the year	**$ (27,860,259)**	**$ -**	**$ (27,860,259)**	**$ (84,083,025)**
Capital and surplus, December 31, current year	**$ 263,874,245**	**$ -**	**$ 263,874,245**	**$ 291,734,504**

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to surplus as of December 31, 2007 based on the results of this examination.

SUBSEQUENT EVENTS

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

MANAGEMENT REPRESENTATION

In support of contingencies and accuracy of information provided during the course of the examination, the Examiners obtained a completed management representation letter in the standard NAIC format. This letter was executed by key financial personnel of the Company and provided to the IDOI.

CONCLUSION

The preceding report of examination of **Golden Rule Insurance Company** as of December 31, 2007 reflects its financial condition in accordance with the National Association of Insurance Commissioners Accounting Practices and Procedures Manual and any and all prescribed and permitted accounting practices of the Indiana Department of Insurance. An Affidavit of the Examiner-in-Charge, James M. Kattman, CFE, is on file with the Indiana Department of Insurance and attests that the examination was performed in a manner consistent with the standards and procedures required by the Indiana Department of Insurance and the National Association of Insurance Commissioners Financial Condition Examiners Handbook. Based on my review, to the best of my knowledge, the examination was performed in a manner consistent with those standards and procedures and properly reflects the financial condition of **Golden Rule Insurance Company**.

Alan T. Griffieth, CFE
Examinations Manager
Indiana Department of Insurance

NOBLE
CONSULTING
SERVICES, INC

November 26, 2008

Mr. Alan Griffieth, CPA, CFE
Examinations Manager
Indiana Department of Insurance
311 West Washington Street, Suite 200
Indianapolis, Indiana 46204-2787

Re: Golden Rule examination as of December 31, 2007

Dear Alan:

This letter is to confirm our understanding of services you wish Noble Consulting Services, Inc. (NCS) to provide to the Indiana Department of Insurance (IDOI) in connection with the statutory examination of Golden Rule for the period ending December 31, 2007.

In accordance with NAIC guidelines and pursuant to your instructions, we will perform a risk focused statutory examination. We will perform procedures as outlined within the Examiners Handbook as tailored for this examination and other procedures deemed necessary by the Examiner-in-Charge.

We estimate the fees for NCS to perform these services will be approximately $390,000 - $455,000 plus direct expenses which includes travel and office related expenses. The estimate is based on current knowledge and expectations of the work to be performed. The current exam is estimated to take 3,000 to 3,500 hours. If at any time it becomes apparent that the cost of the examination will exceed the estimate, it will be communicated to IDOI through the bi-weekly status reports. If you have any questions or need further information, please feel free to contact me at (317) 471-8800. We at Noble Consulting Services, Inc. thank you for this business opportunity.

Sincerely,

Randolph Lamberjack

Randolph D. Lamberjack, CPA, CFE

- Noble Consulting Services, Inc -
8910 Purdue Road, Suite 250, Indianapolis Indiana 46268 Phone 317.471.8800 Fax 317.471.8812

QR