

EXHIBIT A



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE**

**REPORT ON EXAMINATION
OF THE
GOLDEN SECURITY INSURANCE COMPANY
(NAIC # 65463)**

CHATTANOOGA, TENNESSEE

**AS OF
DECEMBER 31, 2014**

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Chattanooga, Tennessee
May 20, 2016

Honorable Julie Mix McPeak
Commissioner of Commerce & Insurance
State of Tennessee
500 James Robertson Parkway
Nashville, Tennessee 37243

Dear Commissioner:

Pursuant to your instructions and in accordance with Tenn. Code Ann. § 56-1-408, regulations, and resolutions adopted by the National Association of Insurance Commissioners (NAIC), a full-scope financial examination, as of December 31, 2014, has been made of the conditions and affairs of:

GOLDEN SECURITY INSURANCE COMPANY

NAIC # 65463
1 Cameron Hill Circle
Chattanooga, Tennessee 37402

hereinafter generally referred to as the "Company" or "GSIC" and a report thereon is submitted as follows:

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance (TDCI) under rules promulgated by the NAIC. The examination commenced on February 23, 2016, and was conducted by duly authorized representatives of the TDCI and representatives of Noble Consulting Services, Inc. This examination was called through the NAIC's Financial Examination Electronic Tracking System (FEETS).

SCOPE OF EXAMINATION

The last examination of the Company was made as of December 31, 2009. This examination covers the period January 1, 2010, through December 31, 2014, and includes any material transactions and/or events occurring subsequent to the examination date which were noted during the course of this examination. The Company is part of the BlueCross BlueShield of Tennessee (BCBST) Holding Company Group.

The examination was conducted in accordance with rules and procedures as prescribed by the statutes of the State of Tennessee, and in accordance with the NAIC *Financial Condition Examiners Handbook*, as deemed appropriate. The Handbook requires the examination be planned and performed to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause the Company's surplus to be materially misstated both currently and prospectively.

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

This examination report includes significant findings of fact, as required by Tenn. Code Ann. § 56-1-411(c)(1), and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report, but were separately communicated to other regulators and/or the Company.

An examination of the Company's information systems was conducted in conjunction with this financial examination by the consulting firm of Noble Consulting Services, Inc. The actuarial firm of Lewis & Ellis, Inc. was engaged in the review of the Company's loss reserves.

The Company provided a letter of representation, dated as of the date of this report, certifying that management has disclosed all significant matters. This letter is included in the workpapers of this examination.

Ernst & Young LLP was the certified public accountant (CPA) and independent auditor for the Company for the years 2012 through 2014. Prior to 2012, the Company qualified for and received an exemption to the annual audit requirement from the TDCI. The CPA's workpapers for 2014 were reviewed and copies were incorporated into the examination, as deemed appropriate.

COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

The examination included a review to determine the current status of the comments and recommendations included in the previous report of examination, dated March 10, 2011, which covered the period from January 1, 2005, through December 31, 2009. There were no findings or recommendations related to the previous full-scope examination report as of December 31, 2009.

COMPANY HISTORY

The Company is a wholly-owned subsidiary of Southern Diversified Business Services, Inc. (SDBS), which in turn is a wholly-owned subsidiary of BCBST. The Company was incorporated in the State of Tennessee for a perpetual period under the name of Golden Shield Insurance Company (GSIC) on December 14, 1982, pursuant to the provisions of the Tennessee General Corporation Act. The Company's original Charter authorized the corporation to issue a maximum of one million (1,000,000) shares with a par value of \$1.00 per share.

On December 13, 1983, GSIC amended its Charter with the Tennessee Secretary of State (hereinafter, the "TN SOS") in order to change its name to Golden Security Life Insurance Company (GSLIC). On July 16, 1986, GSLIC filed an amendment with the TN SOS deleting and replacing paragraph 4 of the Charter, defining the purpose of the business as both a life and health insurance business. On June 30, 1997, GSLIC filed an amendment with the TN SOS amending paragraph 6 of its Charter and increasing the corporation's authority to issue a maximum of two million (2,000,000) shares with a par value of \$1.00 per share. On December 21, 2000, GSLIC filed an amendment to change the principal location of the business to 801 Pine Street, Chattanooga, Tennessee 37402. On July 15, 2003, GSLIC filed an amendment to its Charter in order to change the Company's current name to Golden Security Insurance Company. Then, an amendment to change the principal location of the business from 801 Pine Street, Chattanooga, Tennessee 37402 to 1 Cameron Hill Circle, Chattanooga, Tennessee 37402 was filed with the TN SOS on December 17, 2009, without prerequisite approval from the TDCI. The amendment to change the principal location of the business was approved by the TDCI on April 27, 2011, and the Articles of Correction were filed accordingly with the TN SOS on July 20, 2011. See the "Comments and Recommendations" section later in this report.

MANAGEMENT AND CONTROL

MANAGEMENT

Directors

The Company's Bylaws state that the business and affairs of the Corporation shall be conducted subject to the general direction and oversight of the Board of Directors ("Board"), except as may be otherwise provided by applicable laws, the Charter, or the Bylaws. The Company's Bylaws require that an annual meeting of the shareholders be held to elect directors and to conduct other proper business. The meeting may be held within or outside the State of Tennessee, as shall be designated by the Board.

Each director elected shall hold office for a term of one (1) year, until his/her successor is elected and qualified, or until his/her earlier death, disability, resignation, or removal. The Company's Bylaws state that the number of directors shall consist of not less than three (3) nor more than eleven (11). Individuals do not need to be Tennessee residents or shareholders of the Corporation to serve as a director.

A majority of the directors constitutes a quorum. The Bylaws allow any action that may be taken at a meeting of the Board to be taken without a meeting if all of the directors consent, in writing, to taking that action without a meeting. The written consent shall be filed with the minutes of the Company. Any or all of the directors may participate in meetings by means of video conference, telephone conference, or similar communication equipment.

The following is a listing of persons serving as directors for the Company and their principal occupations as of December 31, 2014:

<u>Name</u>	<u>Principal Occupation</u>
William Morgan Gracey (Chair)	BCBST President and Chief Executive Officer
Jason David Hickey	BCBST Chief Operating Officer
John Francis Giblin	BCBST Chief Financial Officer

Officers

The Bylaws provide that the officers of the corporation shall consist of a President, Secretary, Treasurer, and such other offices as are elected by the Board. A Managing Director may be appointed, but the Managing Director and President may not be held by one (1) person. Likewise, the President and Secretary may not be one (1) person.

The following officers were duly elected by the Board and were serving as officers of the Company, as of December 31, 2014:

<u>Name</u>	<u>Title</u>
George Henry Smith	President and Chief Executive Officer
Shelia Dian Clemons	Secretary
Katharine Anne Laurance	Assistant Secretary
Toliver Ralph Woodard, Jr.	Treasurer
James Kertz Rochat	Assistant Treasurer
Joshua Trey White	Chief Financial Officer
Robin Reed Young	Vice President
Jeffrey Stuart Kay	Actuary

The Board may create, from time to time, standing or special committees, as it shall deem necessary or appropriate. There were no appointed committees as of December 31, 2014.

CONTROL

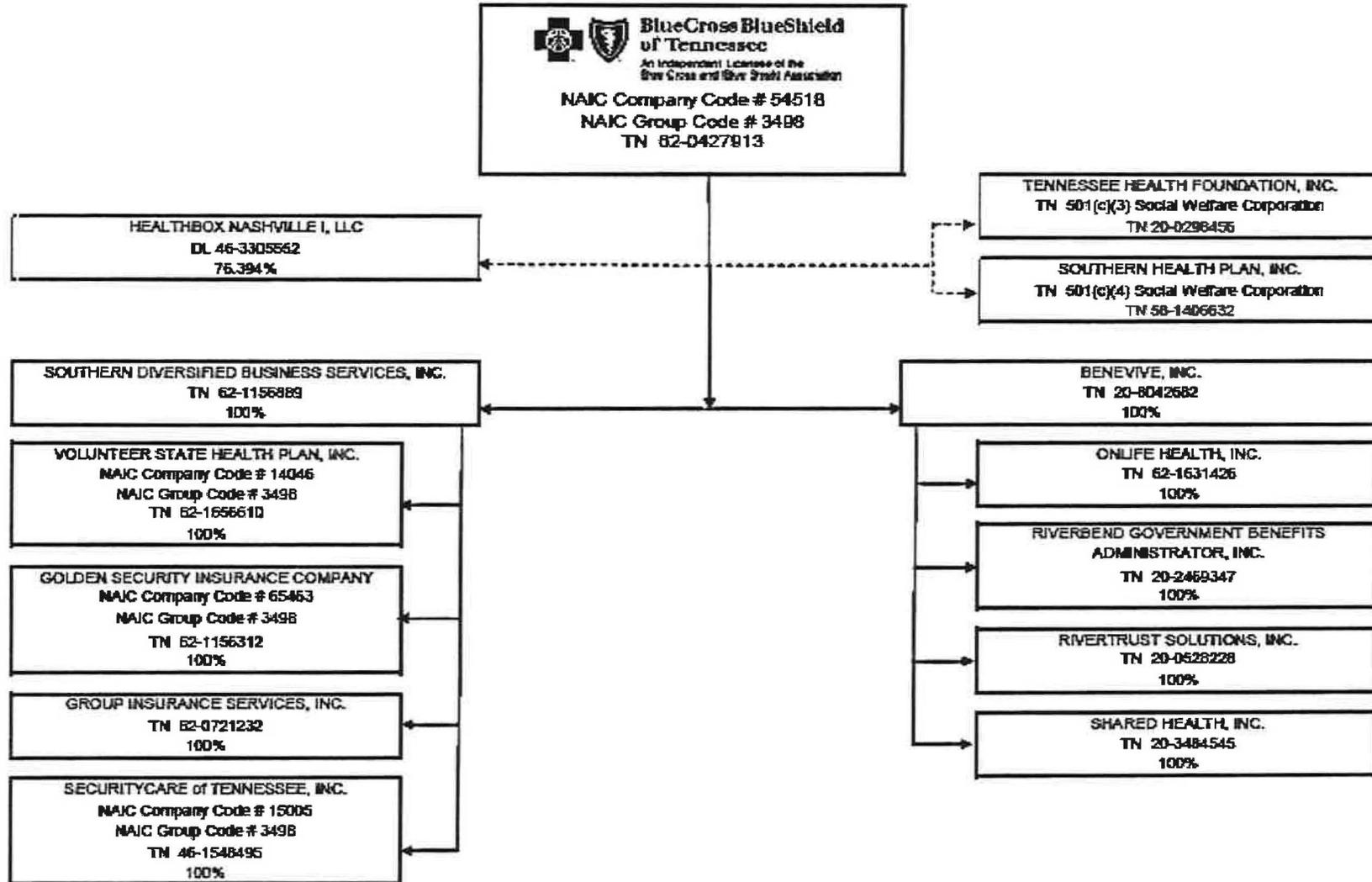
The Company is a member of an insurance holding company system as defined by Tenn. Code Ann. § 56-11-101, and as such, is subject to the "Insurance Holding Company System Act of 1986," set forth in Tenn. Code Ann. §§ 56-11-101, *et seq.* All outstanding shares of the Company are owned by the parent company, SDBS, a Tennessee for-profit corporation. The ultimate parent company is BCBST, which is a holding company domiciled in Tennessee.

CONFLICTS OF INTEREST AND PECUNIARY INTERESTS

The Company is required to comply with Tenn. Code Ann. § 56-3-103 prohibiting officers and directors of insurance companies from having a pecuniary interest in the investment or disposition of funds of a domestic insurance company. BCBST and all its subsidiaries have adopted an Enterprise Compliance Program that requires compliance with all laws and regulations applicable to its business at all governmental levels. The policy requires all directors and employees to conduct business of the Company on the highest ethical level and be free from conflicting interests and relationships. The policy further requires that all directors and management employees annually report all information required to be reported herein and such other information as may be relevant to determine the existence or likely development of a significant conflict of interest.

The annual conflict of interest disclosure statements filed by the Company's directors, officers, and responsible employees in each year of the examination period were reviewed. No conflicts were noted.

ORGANIZATIONAL CHART



DIVIDENDS

There were no dividends paid during the examination period.

CORPORATE RECORDS

The minutes of meetings of the Company's shareholders, Board, and BCBST committees were reviewed for the period under examination. They were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies. The review of the minutes indicates that all investment transactions were approved by the Board.

Charter

The Charter of the Company, in effect as of December 31, 2014, is the Company's Amended Charter which was filed with the TN SOS on April 27, 2011. The Charter states the corporation is for-profit, organized to conduct business as a life and accident and health insurer under the laws of the State of Tennessee. The Company had one (1) amendment to its Charter during the period of examination. The amendment changed its principal address from one location in Chattanooga, Tennessee, to another.

Bylaws

The Bylaws of the Company, in effect as of December 31, 2014, are the Company's Amended and Restated Bylaws, which were adopted by the Board on May 1, 2012. This was the only amendment or restatement to the Company's Bylaws during the period of examination.

The Bylaws are such as are generally found in corporations of this type and contain no unusual provisions. They provide for the regulation of the business and for the conduct of the affairs of the Company, the Board, and its shareholders.

AGREEMENTS WITH PARENT, SUBSIDIARIES AND AFFILIATES

The Company had two (2) agreements with affiliated companies in effect, as of December 31, 2014. The following are summaries of the agreements in effect:

Service Agreements

Effective January 1, 2012, the Company updated and restated an existing Administrative Services Agreement (ASA) signed August 29, 2005. The agreement and amendment reflect all current business of the Company where administrative services are to be performed by BCBST, provide more detail on how costs under the agreement are allocated, and include language to allow properly collateralized short-term receivables from BCBST to be included as admitted assets.

Tax Allocation Agreement

Effective October 17, 2014, BCBST, and its subsidiaries amended and restated an existing Tax Allocation Agreement, signed December 31, 2005. Under the agreement, BCBST will make payments of the consolidated tax liability for each taxable period, including the payment of estimated tax installments, and the Company will pay its share of each payment within ninety (90) days of receiving notice. The Company's portion of the tax liability is an amount equal to the tax liability of the group multiplied by a fraction, the numerator being the Company's separate tax return liability, and the denominator being the sum of the separate return tax liabilities of all members within BCBST's holding company group.

The Company paid BCBST \$3,930,931 and \$3,220,020 for services performed under the ASA and Tax Allocation Agreement in 2014 and 2013, respectively, net of payments from BCBST.

FIDELITY BOND AND OTHER INSURANCE

The Company is listed as a named insured on a Financial Institution Bond carried by BCBST. Other insurance policies were reviewed and the Company is listed as a named insured on the following insurance coverages maintained by BCBST, as of December 31, 2014:

Fidelity Bond
Commercial Property
Cyber Liability
Automobile

Employment Practices Liability
Directors and Officers Liability
Fiduciary
Umbrella Liability

The Company's fidelity coverage exceeds the minimum amount suggested in the NAIC Handbook. The bonds and policy coverages were inspected and appear to be in-force as of the date of this examination. All of the above policies were issued by companies licensed to transact business in the State of Tennessee or by authorized surplus lines insurers.

EMPLOYEE BENEFITS AND PENSION PLANS

The Company has no employees. All business functions are performed by BCBST as described under service agreements discussed under the caption, "Agreements with Parent, Subsidiaries and Affiliates" in this report of examination.

TERRITORY AND PLAN OF OPERATION

TERRITORY

The Company is a for-profit corporation licensed to transact business in the State of Tennessee. The Company is also licensed as a foreign insurer in Arkansas, Mississippi, and Texas. In addition, the Company maintains general business licenses in Indiana, Georgia, and South Carolina. The Certificate of Authority granted by Tennessee was reviewed and found to be in effect as of year-end 2014. As of October 27, 2014, the Company is no longer licensed to write business in the State of Alabama. Premium tax records were reviewed for Tennessee and no exceptions were noted.

SCHEDULE T – PREMIUMS AND OTHER CONSIDERATIONS

<u>State</u>	<u>Licensed? (Yes or No)</u>	<u>Accident & Health Premiums</u>	<u>Total Premiums</u>
Tennessee	Yes	\$45,282,663	\$45,282,663

PLAN OF OPERATION

The Company is licensed to provide health, term life, disability, and other insurance coverage, but principally writes policies for specific and aggregate medical stop-loss coverage to BCBST self-funded groups. The Company appointed a Managing General Agent to underwrite, service, and administer the policies.

The Company generated net premiums earned of \$35,741,553 for the year-ended December 31, 2014. As of December 31, 2014, the Company had \$10,496,319 in capital and surplus.

GROWTH OF COMPANY

The following exhibit depicts certain aspects of the growth and financial history of the Company for the period subject to this examination, according to its Annual Statements as filed with the TDCI:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Net Premium Income</u>
2014	\$20,838,916	\$10,342,597	\$10,496,319	\$35,741,553
2013	\$18,625,056	\$10,760,790	\$7,864,266	\$24,047,500
2012	\$15,339,911	\$10,154,901	\$5,185,010	\$16,404,012
2011	\$3,377,084	\$4,539	\$3,372,545	0
2010	\$3,344,654	\$17,147	\$3,327,507	0

LOSS EXPERIENCE

As developed from applicable amounts included in the Company's Annual Statements filed with the TDCI, the ratios of losses incurred to earned premiums for the period subject to this examination were as follows:

<u>Year</u>	<u>Medical Losses Incurred</u>	<u>Earned Premiums</u>	<u>Loss Ratio</u>
2014	\$21,505,169	\$35,741,553	60.17%
2013	13,590,885	24,047,500	56.52%
2012	8,601,595	16,404,012	52.44%
2011	0	0	0
2010	<u>0</u>	<u>0</u>	<u>0</u>
Total All Years	<u>\$43,697,649</u>	<u>\$76,193,065</u>	<u>57.35%</u>

REINSURANCE AGREEMENTS

Effective January 1, 2012, through December 31, 2012, the Company reinsured fifty percent (50%) of the risk on all written stop-loss coverage. Effective January 1, 2013, an amendment was made to the specific and aggregate medical stop-loss quota share reinsurance contract, whereby the reinsurers' pro-rata share on all new policies and subsequent renewals decreased from fifty percent (50%) to forty percent (40%), and the pro-rata share remaining with the Company increased to sixty percent (60%). Effective January 1, 2014, an amendment was made to the specific and aggregate medical stop-loss quota share reinsurance contract, whereby the reinsurers' pro-rata share on all new policies and subsequent renewals decreased from forty percent (40%) to twenty-five percent (25%) and the pro-rata share remaining with the Company increased to seventy-five percent (75%).

LITIGATION AND CONTINGENT LIABILITIES

During the period of examination and as of December 31, 2014, the Company is a party to various pending legal proceedings arising in the ordinary course of business. Based in part upon the opinion of its counsel as to the ultimate disposition of such lawsuits and claims, Company management believes that the liability, if any, resulting from the disposition of such proceedings will not be material to the Company's financial condition or results of operations.

STATUTORY DEPOSITS

In compliance with statutory and other requirements, the Company maintained deposits with the jurisdictions or custodians named below as of December 31, 2014.

The following are deposits with states where special deposits are for the benefit of all policyholders, claimants, and creditors of the Company:

<u>Jurisdiction</u>	<u>Description</u>	<u>Book/Adjusted Carrying Value</u>	<u>Fair Value</u>	<u>Par Value</u>
Tennessee – Dept. of Insurance	US TREASURY NOTE, Maturity Date: 06/30/2017 CUSIP # 912828TB6, Rate: 0.750%	\$274,265	\$273,969	\$275,000

Deposits with said jurisdictions or custodians were verified by direct correspondence with the custodians of such deposits.

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, 2013 and December 31, 2014, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2012, through December 31, 2014, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory. The Company was in compliance with Tenn. Code Ann. §§ 56-46-101, et seq. (Risk Based Capital for Insurers).

The Company has custodial agreements with Bank of New York Mellon and First Tennessee Bank. These agreements do not meet all requirements of Tenn. Comp. R. & Regs. 0780-01-46, Regulations on Custodial Agreements and the Use of Clearing Corporations. The Company has been made aware of this and is working to make corrections.

The main discrepancies relate to lack of custodian requirements to hold its securities through the book-entry system of the Federal Reserve or clearing corporation.

It is recommended the Company amend the current custodial agreements in order to

comply with the Tenn. Comp. R. & Regs. 0780-01-46. See "Comments and Recommendations" section, later in this report.

The Company's books and records are located in Chattanooga, Tennessee.

SUBSEQUENT EVENTS

Effective January 1, 2015, the Company did not elect to renew any of its specific aggregate medical stop-loss quota share reinsurance contracts. As a result, the Company will assume full risk on all specific and aggregate medical stop-loss policies.

Effective January 1, 2015, the Company is not subject to the annual fee under Section 9010 of the Affordable Care Act, as the Company did not write health insurance in 2014. During the examination, the examiners performed a review of subsequent events and did not note any events that required additional disclosure in this examination report, other than the items described above. Our review confirmed the Company's disclosures in its 2014 Annual Statement and in its Letter of Representation. Management stated in its Letter of Representation that they were not aware of any events subsequent to December 31, 2014, that could have a material effect on the Company's financial condition.

FINANCIAL STATEMENTS

There follows a statement of assets, liabilities, and a statement of revenue and expenses as of December 31, 2014, together with a reconciliation of capital and surplus for the period under review, as reported by the Company in its 2014 Annual Statement.

ASSETS

	<u>Assets</u>	<u>Non-Admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$9,590,304	\$0	\$9,590,304
Stocks:			
Common Stocks	3,997,762	1,535,870	2,461,892
Cash, cash equivalents and short-term investments	3,096,287	0	3,096,287
Investment income due and accrued	18,159	0	18,159
Premiums and considerations:			
Uncollected premiums and agents' balances in the course of collection	149,620	0	149,620
Reinsurance:			
Amounts recoverable from reinsurers	4,883,179	0	4,883,179
Net deferred tax asset	573,257	516,306	56,951
Receivables from parent, subsidiaries and affiliates	<u>582,524</u>	<u>0</u>	<u>582,524</u>
Totals	<u>\$22,891,092</u>	<u>\$2,052,176</u>	<u>\$20,838,916</u>

LIABILITIES, CAPITAL AND SURPLUS

Claims unpaid		\$3,242,641
Unpaid claims adjustment expenses		118,787
Aggregate health claim reserves		3,350,983
General expenses due or accrued		895,687
Ceded reinsurance premiums payable		2,421,334
Funds held under reinsurance treaties		<u>313,165</u>
Total Liabilities		\$10,342,597
Common capital stock	\$1,500,000	
Gross paid in and contributed surplus	4,180,000	
Unassigned funds (surplus)	<u>4,816,319</u>	
Total Capital and Surplus		<u>10,496,319</u>
Totals		<u>\$20,838,916</u>

STATEMENT OF REVENUE AND EXPENSES

Member Months		<u>2,352,814</u>
Net premium income		<u>\$35,741,553</u>
Total Revenues		<u>35,741,553</u>
HOSPITAL AND MEDICAL:		
Hospital/medical benefits	<u>\$28,764,233</u>	
Total Hospital and Medical		28,764,233
LESS:		
Net reinsurance recoveries	<u>7,259,064</u>	
Total Hospital and Medical		21,505,169
Claims adjustment expenses, including cost containment	323,696	
General administrative expenses	<u>7,647,614</u>	
Total Underwriting Deductions		<u>29,476,479</u>
Net underwriting gain or (loss)		6,265,074
INVESTMENT INCOME:		
Net investment income earned	131,429	
Net realized capital gains (losses) less capital gains tax	<u>2,850</u>	
Net investment gains (losses)		134,279
Net income or (loss) after capital gains tax and before all other federal income taxes		6,399,353
Federal and foreign income taxes incurred		<u>2,236,936</u>
Net Income (loss)		<u>\$4,162,417</u>

CAPITAL AND SURPLUS ACCOUNT

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Capital and Surplus:					
Prior reporting year	<u>\$7,864,266</u>	<u>\$5,185,010</u>	<u>\$3,372,545</u>	<u>\$3,327,507</u>	<u>\$3,238,776</u>
Net income or (loss)	\$4,162,417	\$2,678,164	\$1,789,907	\$35,355	\$89,087
Change in net unrealized capital gains (losses) less capital gains tax	(27,959)	0	0	0	0
Change in net deferred income tax	549,771	1,092	22,558	(324)	356
Change in nonadmitted assets	(2,052,176)	0	0	0	0
Change in asset valuation reserve	0	0	0	0	(364)
Aggregate write-ins for gains and losses in surplus	<u>0</u>	<u>0</u>	<u>0</u>	<u>10.007</u>	<u>(348)</u>
Net change in capital and surplus	<u>2,632,053</u>	<u>2,679,256</u>	<u>1,812,465</u>	<u>45,038</u>	<u>88,731</u>
Capital and Surplus:					
End of reporting year	<u>\$10,496,319</u>	<u>\$7,864,266</u>	<u>\$5,185,010</u>	<u>\$3,372,545</u>	<u>\$3,327,507</u>

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Total Capital and Surplus:

\$10,496,319

Total capital and surplus, as established by this examination, is the same as that reported by the Company in its December 31, 2014 Annual Statement. There were no changes made to any asset or liability items as a result of our examination, as performed as of December 31, 2014.

Tenn. Code Ann. §§ 56-2-114 and 56-2-115 require an insurer of this Company's type to maintain a minimum capital and surplus of \$2,000,000 collectively. Therefore, the Company, as of December 31, 2014, for this examination maintains capital and surplus in excess of the amounts required per Tennessee Insurance Law.

COMMENTS AND RECOMMENDATIONS

The following list presents a summary of comments and recommendations noted in this report:

Comments

1. An amendment to change the principal location of the business from 801 Pine Street, Chattanooga, Tennessee 37402 to 1 Cameron Hill Circle, Chattanooga, Tennessee 37402 was filed with the TN SOS on December 17, 2009, without prerequisite approval from the TDCI. The amendment to change the principal location of the business was approved by the TDCI on April 27, 2011, and the Articles of Correction were filed accordingly with the TN SOS on July 20, 2011.

Recommendations

1. It is recommended that the Company amend its custodial agreements to be in compliance with Tenn. Comp. R. & Regs. 0780-01-46-.02. See "Accounts and Records" section, earlier in this report.

CONCLUSION

The customary insurance examination practices and procedures as promulgated by the NAIC have been followed in connection with the verification and valuation of assets and the determination of liabilities of Golden Security Insurance Company, located in Chattanooga, Tennessee.

In such manner, it was found that as of December 31, 2014, the Company had admitted assets of \$20,838,916 and liabilities, exclusive of capital and surplus, of \$10,342,597. Thus, there existed for the additional protection of the shareholders, the amount of \$10,496,319 in the form of common capital stock, gross paid in and contributed surplus, and unassigned funds.

The courteous cooperation of the officers and employees of the Company, extended during the course of the examination, is hereby acknowledged.

In addition to the undersigned, Vicky Hugo, Morris Myers, and John Yegerlehner, Insurance Examiners from Noble Consulting Services, Inc., and Mike Mayberry, FSA, MAAA of the actuarial firm Lewis & Ellis, Inc., Richardson, Texas and Brian Sewell, Insurance Examiner of the Tennessee Department of Commerce and Insurance participated in the work of this examination.

Respectfully submitted,



Nadine Treon, CFE, CPA
Examiner-in-Charge
Noble Consulting Services, Inc.
Representing the State of Tennessee

AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of Golden Security Insurance Company, of Chattanooga, Tennessee, dated May 20, 2016, and made as of December 31, 2014, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says she is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of her knowledge, information and belief.

Nadine Treon

Nadine Treon, CFE, CPA
Examiner-in-Charge
Noble Consulting Services, Inc.
Representing the State of Tennessee

State Indiana

County Hamilton

Subscribed to and sworn before me

this 20 day of May, 2016

Andrea L Treon

(NOTARY)

My Commission Expires: June 3, 2023



EXHIBIT B



of Tennessee

1 Cameron Hill Circle

Memphis, Tennessee 38103

bcbst.com

June 14, 2016

E. Joy Little
Director of Financial Examinations/Chief Examiner
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, TN 37243-1135

RE: Golden Security Insurance Company – Report of Examination

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for Golden Security Insurance Company. By signing below, we indicate acceptance of the report, as transmitted, and without rebuttal.

Sincerely,

Robin Young, VP Commercial Finance
and Chief Underwriter

(Printed Name, Title)