



**EXAMINATION REPORT  
OF  
GUIDEWELL SIMPLIFI, INC.**

**NAIC Company Code: 17029**

**Jacksonville, Florida  
as of  
December 31, 2021**

**BY THE  
FLORIDA  
OFFICE OF INSURANCE REGULATION**

## TABLE OF CONTENTS

<b>LETTER OF TRANSMITTAL</b> .....	<b>-</b>
<b>SCOPE OF EXAMINATION</b> .....	<b>1</b>
<b>SUMMARY OF SIGNIFICANT FINDINGS</b> .....	<b>2</b>
CURRENT EXAMINATION FINDINGS.....	2
PREVIOUS EXAMINATION FINDINGS .....	2
<b>COMPANY HISTORY</b> .....	<b>2</b>
GENERAL.....	2
DIVIDENDS.....	2
CAPITAL STOCK AND CAPITAL CONTRIBUTIONS .....	2
SURPLUS NOTES .....	2
ACQUISITIONS, MERGERS, DISPOSALS, DISSOLUTIONS .....	3
<b>MANAGEMENT AND CONTROL</b> .....	<b>3</b>
CORPORATE GOVERNANCE .....	3
HOLDING COMPANY SYSTEM .....	4
<b>AFFILIATED AGREEMENTS</b> .....	<b>5</b>
TAX ALLOCATION AGREEMENT.....	5
ADMINISTRATIVE SERVICES AGREEMENT .....	5
<b>ACCOUNTS AND RECORDS</b> .....	<b>5</b>
INDEPENDENT AUDITOR AGREEMENT.....	5
CORPORATE RECORDS REVIEW.....	6
<b>TERRITORY AND PLAN OF OPERATIONS</b> .....	<b>6</b>
<b>REINSURANCE</b> .....	<b>6</b>
REINSURANCE ASSUMED .....	6
REINSURANCE CEDED .....	6
<b>FINANCIAL STATEMENTS</b> .....	<b>6</b>
ASSETS .....	7
LIABILITIES, CAPITAL AND SURPLUS .....	7
STATEMENT OF REVENUE AND EXPENSES.....	8
RECONCILIATION OF CAPITAL AND SURPLUS .....	9
<b>COMMENTS ON FINANCIAL STATEMENT ITEMS</b> .....	<b>9</b>
LIABILITIES.....	9
CAPITAL AND SURPLUS .....	9
<b>SUBSEQUENT EVENTS</b> .....	<b>10</b>
<b>CONCLUSION</b> .....	<b>10</b>

May 17, 2023

Michael Yaworsky  
Commissioner  
Office of Insurance Regulation  
State of Florida  
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“NAIC”), we have conducted an examination as of December 31, 2021, of the financial condition and corporate affairs of

**GuideWell Simplifi, Inc.**  
4800 Deerwood Campus Parkway  
Jacksonville, Florida 32246

hereinafter referred to as “the Company.” Such report of examination is herewith respectfully submitted.

## SCOPE OF EXAMINATION

This examination covered the period of April 30, 2021, through December 31, 2021, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on January 27, 2023. The fieldwork concluded as of May 17, 2023. This is the Company's first year examination by representatives of OIR.

The examination was a single state examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (the Handbook). The Handbook requires that 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 an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with the NAIC Statements of Statutory Accounting Principles (“SSAP”). 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 information obtained from the examination of the records, accounts, files, and documents of or relative to the Company and other information as permitted by Section 624.319, Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

## SUMMARY OF SIGNIFICANT FINDINGS

### Current Examination Findings

There were no significant findings of fact as a result of this examination.

### Previous Examination Findings

This is the Company's first year examination.

## COMPANY HISTORY

### General

The Company was incorporated in Florida on April 6, 2021. It was authorized by OIR to operate as a life and health insurer in accordance with Section 624.401, Florida Statutes.

### Dividends

The Company did not declare or pay any dividends during the period under examination.

### Capital Stock and Capital Contributions

As of December 31, 2021, the Company's capitalization was as follows:

Number of authorized common capital shares	1,000,000
Number of authorized preferred stock	0
Number of shares issued and outstanding	1,000
Total common capital stock	\$1,000
Par value per share	\$1.00

In April 2021, the Company's parent, Diversified Health Services, Inc. ("DHSI"), contributed capital of \$5,100,000 in support of the Company's initial operations.

### Surplus Notes

The Company did not have or issue any surplus notes during the period under examination.

## Acquisitions, Mergers, Disposals, Dissolutions

The Company had no acquisitions, mergers, disposals, or dissolutions during the period under examination.

## MANAGEMENT AND CONTROL

### Corporate Governance

The initial appointment of Directors was made by the incorporators of the Company on March 31, 2021. Directors serving as of December 31, 2021, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
Jon Richard Urbanek, Board Chair	Saint Augustine, Florida	Senior Vice President Commercial Markets, Blue Cross and Blue Shield of Florida, Inc.
Rachel Hand Bechtel	Jacksonville Beach, Florida	Vice President Commercial Business Strategy and Market Solutions, Blue Cross and Blue Shield of Florida, Inc.
Juan Guillermo Chaluja	Jacksonville, Florida	Vice President Commercial Markets, Chief Financial Officer and Analytics Blue Cross and Blue Shield of Florida, Inc.
Charles Divita III	Jacksonville, Florida	Executive Vice President Commercial Markets, Blue Cross and Blue Shield of Florida, Inc.
Camille Irene Harrison	Saint Johns, Florida	Executive Vice President Medicare Chief Innovations and Experience, Blue Cross and Blue Shield of Florida, Inc.

In accordance with the Company's Bylaws, the Board of Directors ("Board") appointed the following Senior Officers:

Senior Officers		
Name	City, State	Title
Jon Richard Urbanek	Saint Augustine, Florida	President and Chief Executive Officer
Carl James Bailey <sup>(a)</sup>	Jacksonville, Florida	Chief Actuary
William Andrew Coats	Jacksonville, Florida	Treasurer
Arezou Clegg Jolly	Jacksonville, Florida	Secretary

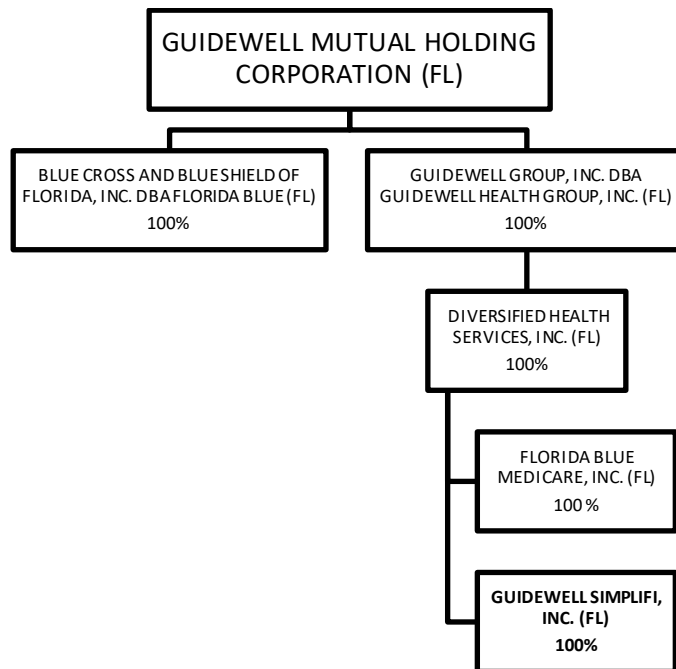
(a) Resigned effective May 6, 2022. Andrew France was hired as Chief Actuary effective August 6, 2022 and became Appointed Actuary October 7, 2022 by resolution of the Board.

The Board has not appointed Committees. The full Board acts as the Audit Committee for the Company. Additionally, the GuideWell Mutual Holding Corporation (“GMHC”) Audit and Compliance Committee provides oversight of the Company.

### Holding Company System

A simplified organizational chart as of December 31, 2021, reflecting the holding company system, is shown below. Schedule Y of the Company’s 2021 annual statement provided a list of all related companies of the holding company group.

**GuideWell Simplifi, Inc.  
Simplified Organizational Chart  
December 31, 2021**



## **AFFILIATED AGREEMENTS**

The following agreements were in effect between the Company and its affiliates:

### **Tax Allocation Agreement**

The Company is a party to a Tax Allocation Agreement with its ultimate parent company, GMHC. Pursuant to this agreement, the Company is included in the consolidated tax filing and pays taxes on a separate return basis. Intercompany tax balances are settled within ninety (90) days of estimated tax remittances by GMHC.

### **Administrative Services Agreement**

Under an Administrative Services Agreement amended April 7, 2021, to include the Company, the Company receives services from certain listed affiliates related to tax, accounting and auditing, underwriting, claims, investment, and other functional support services. The agreement requires monthly reporting and settlement of intercompany balances within ninety (90) days. The Company reported \$116,295 in administrative charges from its affiliate Blue Cross Blue Shield of Florida, Inc., to provide certain services, including administrative, managerial, professional, and technical services in 2021.

## **ACCOUNTS AND RECORDS**

The Company maintained its principal operational offices in Jacksonville, Florida.

The Company and non-affiliates had the following material agreements:

### **Independent Auditor Agreement**

An independent CPA, PricewaterhouseCoopers, LLC audited the Company's statutory basis financial statements for 2021, in accordance with Section 624.424(8), Florida Statutes. Supporting

work papers were prepared by the CPA firm as required by Rule 69O-137.002, Florida Administrative Code.

### **Corporate Records Review**

The recorded minutes of the Shareholder and the Board were reviewed for the period under examination. The recorded minutes of the Board documented its meetings and approval of Company transactions and events, in compliance with the Handbook adopted by Rule 69O-138.001, Florida Administrative Code, including the authorization of investments, as required by Section 625.304, Florida Statutes.

### **TERRITORY AND PLAN OF OPERATIONS**

The Company was authorized to transact insurance only in the State of Florida.

The Company was authorized to transact insurance in Florida on April 30, 2021, and is currently authorized for Accident and Health lines of business as of December 31, 2021. The Company did not write business in 2021.

### **REINSURANCE**

#### **Reinsurance Assumed**

The Company did not assume any reinsurance during the period of this examination.

#### **Reinsurance Ceded**

The Company did not cede any reinsurance during the period of this examination.

### **FINANCIAL STATEMENTS**

The following includes the Company's statutory Statement of Assets, Liabilities, Capital and Surplus, and statutory Statement of Revenue and Expenses, which includes an analysis of changes in the Capital and Surplus Account for the year ended December 31, 2021. The financial statements are based on the statutory financial statements filed by the Company with the OIR,

and present the financial condition of the Company for the period ending December 31, 2021. Due to rounding, column amounts may not add to the totals reflected in this Report. There were no examination adjustments to the amounts reported by the Company.

**GuideWell Simplifi, Inc.**  
**Assets**  
**December 31, 2021**

	Per Company
Cash, cash equivalents and short-term investments	5,026,891
Subtotal cash and invested assets	5,026,891
Current federal and foreign income taxes recoverable	4,179
Total assets	5,031,070

**GuideWell Simplifi, Inc.**  
**Liabilities, Capital and Surplus**  
**December 31, 2021**

	Per Company
Amounts due to parent, subsidiaries and affiliates	19,886
Total liabilities	19,886
Gross paid-in and contributed surplus	5,100,000
Unassigned funds (surplus)	(88,816)
Total capital and surplus	5,011,184
Total liabilities, capital and surplus	5,031,070

**GuideWell Simplifi, Inc.**  
**Statement of Revenue and Expenses**  
**December 31, 2021**

	Per Company
Net premium income	0
Total revenues	0
Total hospital and medical	0
General administrative expenses	112,425
Total underwriting deductions	112,425
Net underwriting gain or (loss)	(112,425)
Net income or (loss) after capital gains tax and before all other federal income taxes	(112,425)
Federal and foreign income taxes incurred	(23,609)
Net Income (loss)	(88,816)
<b>Capital and Surplus Account</b>	
Capital and surplus, prior reporting year	0
Net Income (loss)	(88,816)
Paid in capital	5,100,000
Net change in capital and surplus	5,011,184
Capital and surplus, end of reporting year	5,011,184

**GuideWell Simplifi, Inc.**  
**Reconciliation of Capital and Surplus**  
**December 31, 2021**

No adjustments were made to surplus as regards policyholders as a result of this examination.

Capital/Surplus Change during Examination Period			
	Increase	Decrease	
Loss in surplus		88,816	(88,816)
Change in paid in surplus	5,100,000		5,100,000
Net increase (or decrease)			5,011,184
Capital and Surplus at December 31, 2021, per Examination			5,011,184

**COMMENTS ON FINANCIAL STATEMENT ITEMS**

**Liabilities**

**Losses and Loss Adjustment Expenses**

The Company was granted a waiver for the 2021 Actuarial Opinion.

**Capital and Surplus**

The amount of capital and surplus reported by the Company of \$5,011,184 exceeded the minimum of \$1,500,000 required by Section 624.408, Florida Statutes.

## SUBSEQUENT EVENTS

There were no additional subsequent events to report.

## CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of GuideWell Simplifi, Inc. as of December 31, 2021, consistent with the insurance laws of the State of Florida.

The following individuals with the firm of Noble Consulting Services, Inc. participated in the examination: Robin Roberts, CFE, Examiner-in-Charge; James Menck, CFE, Examination Manager; Jamesia Burford, CFE; Emma Muambo, CFE (Fraud) and David Habony, CFE, Financial Examiners. Margaret (Peggy) McCrary, CFE, CPA, MBA of OIR participated in the examination as Examination Oversight Supervisor. Additionally, Michael Nadeau, CISA, CFE, AES and Sharon Riley, CISA, CGEIT, CDPSE, AIRC, FLMI, IT Specialists of Noble Consulting Services, are recognized for participation in the examination.

Respectfully submitted,

*Robin Roberts*

Robin Roberts, CFE  
Examiner-in-Charge  
Noble Consulting Services, Inc.

*Carolyn M. Morgan*

Carolyn M. Morgan, APIR  
Director  
Life & Health Financial Oversight  
Florida Office of Insurance Regulation  
Date Signed: 6/15/23