



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

NAIC Company Code: 17029

**Jacksonville, Florida
as of
December 31, 2022**

**BY THE
FLORIDA
OFFICE OF INSURANCE REGULATION**

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May 29, 2024

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, 2022, 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 January 1, 2022, through December 31, 2022, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“OIR”) on October 10, 2023. The fieldwork concluded as of May 29, 2024. The Company’s last full scope exam by representatives of OIR covered the period of April 30, 2021, through December 31, 2021.

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

There were no significant findings of fact for the prior examination as of December 31, 2021.

COMPANY HISTORY

General

The Company was incorporated in Florida on April 6, 2021, and commenced business on April 1, 2022. It was licensed by OIR as a Life and Health Insurance Company on April 30, 2021, 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, 2022, 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 December 2022, the Company's parent, Diversified Health Services, Inc. ("DHSI"), contributed an additional \$900,000 to the Company.

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 annual shareholder meeting for the election of Directors was held in accordance with the Company's Bylaws. Directors serving as of December 31, 2022, are:

Directors		
Name	City, State	Principal Occupation, Company Name
Jon Richard Urbanek, Chair (a)	Saint Augustine, Florida	Senior Vice President Commercial Markets, Blue Cross and Blue Shield of Florida, Inc.
Rachel Hand Bechtel (b)	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 (c)	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.

(a) Retired and replaced by Rachel Bechtel December 29, 2023.

(b) Assumed the role of Chair December 29, 2023 and Sanela Boyce was elected to the Board.

(c) Retired on May 20, 2024.

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

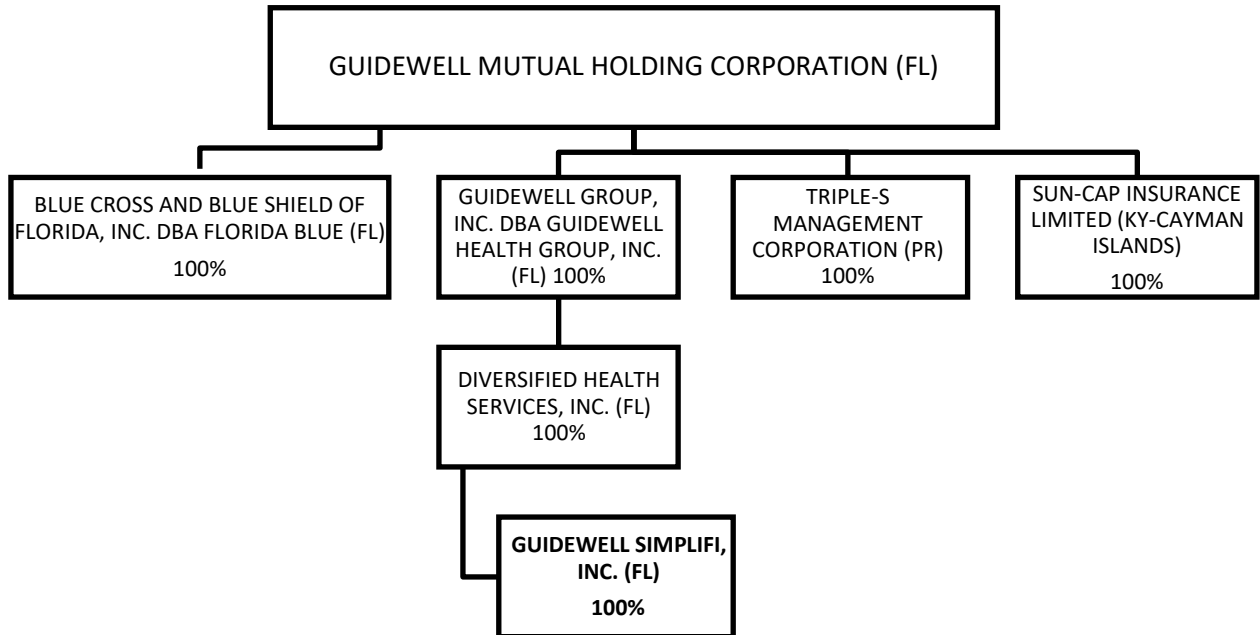
Senior Officers		
Name	City, State	Title
Jon Richard Urbanek	Saint Augustine, Florida	President and Chief Executive Officer
William Andrew Coats	Jacksonville, Florida	Treasurer
Andrew France	Jacksonville, Florida	Chief Actuary
Arezou Clegg Jolly	Jacksonville, Florida	Secretary

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, 2022, reflecting the holding company system, follows. Schedule Y of the Company's 2022 annual statement provided a list of all related companies of the holding company group.

GuideWell Simplifi, Inc.
Simplified Organizational Chart
December 31, 2022



DHSI wholly owns Health Options, Inc., BeHealthy Florida, Inc., Florida Health Care Plan, Inc., Florida Blue Medicare, Inc., and Florida Combined Life Insurance Company, Inc., in addition to GuideWell Simplifi, Inc. All are Florida domiciled insurers.

Triple-S Management Corporation wholly owns Triple-S Propiedad, Inc., Triple-S Salud, Inc., and Triple-S Vida, Inc. Triple-S Salud, Inc. wholly owns Triple-S Advantage, Inc. Triple-S Vida, Inc. wholly owns Triple-S Blue, Inc. I.I., an international insurer. All are Puerto Rico domiciled insurers.

Additionally, there are numerous non-insurance entities in the holding company.

AFFILIATED AGREEMENTS

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

Tax Allocation Agreement

The Company, along with its ultimate parent, GMHC and its subsidiaries, filed a consolidated federal income tax return. On December 31, 2022, the method of allocation between the Company and GMHC was on a separate-entity basis. Each member of the group recorded an inter-company income tax receivable or payable with GMHC. Within ninety (90) days of the remittance by GMHC of any income tax payment to the taxing authorities, all inter-company tax receivables and payables were settled.

Administrative Services Agreement

The Company entered into an Administrative Services Agreement with DHSI and various affiliates on April 7, 2021. The agreement allocated cost based upon services received from Blue Cross Blue Shield of Florida, Inc., an affiliated company. Fees incurred under this agreement during 2022 amounted to \$348,739.

ACCOUNTS AND RECORDS

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

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

Master Services Agreement

The Company utilized a non-affiliated Third Party Administrator (“TPA”) to perform premium billing and collection services and pay claims on behalf of the insurer effective April 7, 2021. This relationship was terminated subsequent to the period under examination.

Independent Auditor Agreement

An independent CPA, PricewaterhouseCoopers, LLC audited the Company’s statutory basis financial statements annually for the years 2022 and 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 in the State of Florida. The Company is currently authorized for Accident and Health lines of business as of December 31, 2022.

The Company wrote \$15,397 of business only in Florida during the year ended December 31, 2022.

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, 2022. 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, 2022. 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, 2022

	Per Company
Cash, cash equivalents and short-term investments	5,585,284
Subtotal cash and invested assets	5,585,284
Investment income due and accrued	336
Receivables from parent, subsidiaries and affiliates	12,000
Aggregate write-ins for other-than-invested assets	4,181
Totals	5,601,801

GuideWell Simplifi, Inc.
Liabilities, Capital and Surplus
December 31, 2022

	Per Company
Claims unpaid	14,684
Aggregate health policy reserves	900,000
Premiums received in advance	536
General expenses due or accrued	367
Current federal and foreign income tax payable	2,900
Total liabilities	918,487
Gross paid-in and contributed surplus	6,000,000
Unassigned funds (surplus)	(1,316,686)
Total capital and surplus	4,683,314
Total liabilities, capital and surplus	5,601,801

GuideWell Simplifi, Inc.
Statement of Revenue and Expenses
December 31, 2022

	Per Company
Net premium income	15,397
Total revenues	15,397
Hospital and Medical:	
Hospital/medical benefits	14,901
15,Aggregate write-ins for other hospital and medical	215
Subtotal	15,116
Total hospital and medical	15,116
General administrative expenses	410,961
Increase in reserves for life and accident and health contracts	900,000
Total underwriting deductions	1,326,077
Net underwriting gain or (loss)	(1,310,680)
Net investment income earned	1,400
Net investment gains (losses)	1,400
Net income or (loss) after capital gains tax and before all other federal income taxes	(1,309,280)
Federal and foreign income taxes incurred	(85,885)
Net Income	(1,223,395)

	Per Company
Capital and Surplus Account	
Capital and surplus, prior reporting year	5,011,184
Net Income	(1,223,395)
Change in nonadmitted assets	(4,475)
Surplus adjustments:	900,000
Net change in capital and surplus	(327,870)
Capital and surplus, end of reporting year	4,683,314

GuideWell Simplifi, Inc.
Reconciliation of Capital and Surplus
December 31, 2022

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

Capital/Surplus Change during Examination Period			
Capital and Surplus at December 31, 2021, per Examination			5,011,184
	Increase	Decrease	
Change in surplus		1,223,395	(1,223,395)
Change in nonadmitted assets		4,475	(4,475)
Change in paid in surplus	900,000		900,000
Net increase (or decrease)			(327,870)
Capital and Surplus at December 31, 2022, per Examination			4,683,314

COMMENTS ON FINANCIAL STATEMENT ITEMS

Liabilities

Losses and Loss Adjustment Expenses

Andrew France, F.S.A, M.A.A.A , Vice President, Chief Actuary of Commercial Markets, employee of Blue Cross and Blue Shield of Florida, Inc., appointed by the Board March 1, 2023, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2022, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements.

The OIR consulting actuary, Steven H, Mahan, F.S.A, engaged by Noble Consulting Services, Inc., reviewed the loss and loss adjustment expense and premium deficiency reserve work papers provided by the Company. Consulting actuary concluded the reserves were reasonable.

Capital and Surplus

The amount of capital and surplus reported by the Company of \$4,683,314 exceeded the minimum of \$ 1,500,000 required by Section 624.408, Florida Statutes.

SUBSEQUENT EVENTS

The Administrative Services Agreement was amended and executed December 1, 2023 to add Communitas, Inc., Diagnostic Clinic Medical Group, Inc. GuideWell Health, Inc., GuideWell Health Plans, Inc. GuideWell Innovation, LLC, and WebTPA Employer Services, LLC as parties to the agreement.

The Company has stopped marketing its current short-term limited duration products. The current customer contracts will expire by June 30, 2024. The Company is evaluating its overall product strategy and plans to submit a new business plan to OIR by the end of 2024. As a result, the relationship with the TPA was terminated.

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, 2022, 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, and Joseph DeVries, CFE, Financial Examiner. Members of OIR who participated in the examination include Margaret (Peggy) McCrary, CFE, CPA, MBA, Examination Oversight Supervisor. Additionally, Steven H. Mahan, F.S.A, Consulting Actuary, and Stefan Obereichholz-Bangert, AES, CISA, CISM, CDPSE, IT Specialist 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: 6/28/24