

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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In the Matter of

Index No. 450500/2016

the Liquidation of

AFFIRMATION

HEALTH REPUBLIC INSURANCE OF
NEW YORK, CORP.

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Eliot Kirshnitz, an attorney at law, duly admitted to practice law before the Courts of the State of New York, hereby affirms the following to be true under the penalties of perjury:

1. I am an attorney with the New York Liquidation Bureau (“Bureau”), the organization that carries out the duties of Maria T. Vullo, Superintendent of Financial Services of the State of New York as liquidator (“Liquidator”) of Health Republic Insurance of New York, Corp. (“Health Republic”). I make this affirmation upon information and belief, the sources of which are files maintained by the Bureau and communications made to the affirmant by employees of the Bureau.

2. Health Republic was incorporated in New York as a not-for-profit corporation on October 4, 2011, with the purpose of obtaining a license to issue health insurance under Article 43 of the Insurance Law and to operate as a Consumer Operated and Oriented Plan under the federal Patient Protection and Affordable Care Act.

3. On September 25, 2015, due to Health Republic’s financial condition, the New York State Department of Financial Services directed Health Republic to cease writing new health insurance policies. Health Republic ceased paying member and provider claims in October 2015. Health Republic’s health insurance policies terminated as of November 30, 2015, and Health Republic’s members were transitioned to other health insurance coverage.

4. On May 11, 2016, this Court entered an order (“Liquidation Order”) placing Health Republic into liquidation, finding, among other things, that: (i) Health Republic was insolvent under Section 1309 of the Insurance Law; (ii) the company’s Board of Directors had consented to liquidation by unanimous vote; and (iii) it was in the best interest of Health Republic’s policy holders, creditors, and the general public for the Liquidator to be appointed to take possession of Health Republic’s property to liquidate its business and affairs.

5. The Liquidator now submits her report (“Report”), attached as Exhibit A hereto, on the status of the Health Republic liquidation proceeding and requests authority to distribute assets.

6. The Report sets forth the Liquidator’s activities pursuant to the Liquidation Order and Article 74 of the Insurance Law, including the Liquidator’s efforts to identify Health Republic’s creditors, adjudicate claims, and marshal Health Republic’s assets. Since the date of the Liquidation Order, the Liquidator has (i) protected Health Republic’s former members, (ii) taken possession of Health Republic’s business and assets, (iii) preserved Health Republic’s critical claim processing systems, (iv) managed Health Republic’s service provider relationships to reduce expenses, (v) reviewed Health Republic’s claims and liabilities, (vi) collected monies owed to Health Republic, (vii) taken steps to pursue additional monies that may be owed to Health Republic, (viii) established Court-approved procedures for the adjudication of claims, (ix) issued 186,348 claim determinations in the form of Explanations of Benefits, and (x) otherwise taken steps to wind down Health Republic’s affairs.

7. This application seeks an order: (a) approving the Report on the status of Health Republic and the financial transactions described therein; (b) authorizing the continued payment of actual and necessary expenses incurred by the Liquidator in the administration of the

liquidation proceeding; (c) authorizing the Liquidator to distribute Health Republic's assets to allowed claimants to the extent that, in the Liquidator's discretion, sufficient funds are available, and as consistent with this Court's orders and the requirements of the Insurance Law; and (d) granting such other and further relief as the Court may deem just and proper.

8. The Liquidator requests that this Court issue the accompanying Order to Show Cause approving a return date ("Return Date") for a hearing on the Liquidator's application to be held before this Court at least thirty (30) days after the date of issuance of the Order to Show Cause.

9. Notice is sought through (i) posting the Order to Show Cause and its supporting papers on the Health Republic Internet web page at <http://www.healthrepublicny.org/> and the New York Liquidation Bureau Internet web page at <http://www.nylb.org/> at least ten (10) days before the Return Date; and (ii) publishing the notice substantially in the form attached as Exhibit B hereto in the *New York Post* and the *New York Daily News* within the thirty (30) days following the date of issuance of this Order to Show Cause.

10. No previous application for the relief sought herein has been made to this or any other court of judge thereof.

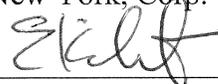
WHEREFORE, the Liquidator respectfully requests that this Court grant an order substantially in the form of the proposed order attached as Exhibit C hereto (a) approving the Report on the status of Health Republic and the financial transactions described therein; (b) authorizing the continued payment of actual and necessary expenses incurred by the Liquidator in the administration of the liquidation proceeding; (c) authorizing the Liquidator to distribute Health Republic's assets to allowed claimants to the extent that, in the Liquidator's discretion, sufficient funds are available, and as consistent with this Court's orders and the

requirements of the Insurance Law; and (d) granting such other and further relief as the Court may deem just and proper.

Dated: New York, New York
November 28, 2017

JOHN PEARSON KELLY,
Attorney for Maria T. Vullo, Superintendent of
Financial Services of the State of New York as
Liquidator of Health Republic Insurance of
New York, Corp.

By: _____



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