



October 18, 2016

Maria T. Vullo
Superintendent of Financial Services
State of New York

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Dear Maria,

As year-end 2016 is approaching, we are requesting your assistance in an aspect of consideration related to the Order of Liquidation granted you by The Honorable Carol R. Edmead, J.S. (May 10, 2016 for Health Republic Insurance of New York, Corporation.) (Transcript details attached Index#450500/16.)

We are an Insurance Broker, based in Westchester County, NY; and we had placed significant efforts in underwriting policies through Health Republic as an exercise in Faith... Faith in launching the Co-op concept and Faith in the beginning stages of the Affordable Care Act.

The liquidation process as stated in the court transcript will overlook Brokers, and their considerable loss of unpaid commissions, as it excludes Brokers by omission from the two-step specifics shared on your behalf, by your representative, Mr. Holtzer.

Within the transcript, Mr. Holtzer, states to The Honorable Carol R. Edmead; that two components of the process must be substantially complete, before you, the liquidator, can make distributions to claimants;

“The first component is identifying and collecting Health Republic’s remaining assets; the second is collecting, reviewing, and adjudicating claims against Health Republic.”

However, Brokers were never allowed to file a claim for unpaid commissions; thus, as shared, we are being excluded by omission.

As directly quoted from Health Republic website www.healthrepublicny.org:

“Brokers, Vendors, and Other Creditors (“Other” defined as, other than Providers/Members), should not file claims against Health Republic.”

As also quoted from the website:

“...it is highly unlikely that Health Republic will have sufficient funds to pay any claims against Health Republic other than (1) claims for administrative expenses and (2) a portion of claims submitted by providers and members.”

The overall consensus is that the priority of remaining asset distribution resulting from the liquidation granted on May 10, 2016; will lay **solely** with the payment of claims to providers, and participants of the Health Republic Plans.

Given there is no recourse for Brokers, we are asking for your assistance in addressing that void with an alternative proposal; specifically that the brokers are able to reflect unpaid Health Republic commissions on their 2016 financial statements, identified as a "Loss" within their P&L.

This would require approval granted at the government level, for Broker Businesses, whether they are Accrual or Cash based.

We are asking that this proposal be formally addressed within the scope of financial steps to be taken related to the aftermath of Health Republic's collapse.

Small business Brokers employ many local residents, and the significant financial impact these unpaid commissions have had on their cash flow should be justly considered at the government level, and not left unaddressed.

Please integrate this proposal for Brokers given the level of power bequest upon you, as you proceed with reconciling the impact of Health Republic's collapse. This accounting proposal would offer small businesses financial justice for commissions lost.

Thank you most kindly for your time, attention, and consideration of this matter.
We look forward to your reply in the near term.

I may be reached by email at lmazzacone@ebsaccess.com or by phone at (914) 762-6500.

Sincerely,



Linda Mazzacone
Employee Benefit Solutions of New York
Ossining, NY 10562

cc:
The Honorable Carol R. Edmead, J.S. Justice