

Health Republic Insurance of New York, Corp.		
Statutory Basis Statements of Admitted Assets, Liabilities and Surplus		
As of September 30, 2016		
UNAUDITED (Note 1)		
Assets:		
Cash	\$	8,543,061
Investments at market value		33,883,234
Total Cash and Invested Assets		42,426,295
Amounts recoverable from federal reinsurance		51,736,709
Health care receivable	Note 2	3,316,626
Accrued retrospective receivables		432,329,977
Less: Allowance for uncollectable retrospective receivables		(432,329,977)
Net accrued retrospective receivables		-
Amounts recoverable from commercial reinsurer		293,912
Pharmacy receivable		487,385
Advance to third party administrator		400,440
Prepaid expenses		395,818
Accrued interest		92,490
Total Assets		99,149,675
Liabilities:		
Policyholder claims	Note 3	212,066,127
Claims adjustment expenses on policyholder claims	Note 3	4,241,323
Risk adjustment payable	Note 4	191,338,780
Accounts payable and accrued expenses	Note 4	34,734,218
Start-Up Loan	Notes 4 & 5	23,600,400
Total Liabilities		465,980,848
Surplus (Deficit)		
Solvency Loan	Notes 4 & 6	241,366,000
Section 9010 ACA assessment	Note 4	8,739,293
Net deficit		(616,936,466)
Total Surplus (Deficit)		(366,831,173)
Total Liabilities and Surplus	\$	99,149,675

Note 1:

The September 30, 2016, unaudited balance sheet and related footnotes ("Statement") are preliminary and subject to adjustments. An audit of the Company's December 31, 2015, financial statements is in progress and may result in adjustments to this Statement. The Statement does not reflect potential recoveries in connection with certain third-party claims.

Note 2:

The health care receivable is based on a reasonable estimate of claims that have been determined to be (1) overpaid or (2) paid in duplicate. It is uncertain if the remaining balance of the receivable will be collected.

Note 3:

These items reflect total policyholder claims and estimated claims adjustment expenses as of September 30, 2016, and are subject to change as additional information becomes available.

Note 4:

Creditor claims other than policyholder claims and claims adjustment expenses are subordinate to policyholder claims and claims adjustment expenses.

Note 5:

The Start-Up Loan's principal and interest payments are not due until 2017.

Note 6:

The Solvency Loan is treated as a Surplus Note. Principal and interest on the Solvency Loan are not due until 2019 and can be only paid upon the approval of the New York State Department of Financial Services.