

**NOTICE OF ENTRY OF ORDER TO SHOW CAUSE REGARDING PROCEDURE FOR THE  
LIQUIDATOR'S ADJUDICATION OF POLICY CLAIMS AGAINST  
HEALTH REPUBLIC INSURANCE OF NEW YORK, CORP.**

PLEASE BE ADVISED THAT THIS NOTICE CONCERNS THE LIQUIDATION OF  
HEALTH REPUBLIC INSURANCE OF NEW YORK, CORP. THIS IS **NOT** A NOTICE OF  
LAW SUIT OR CLAIM AGAINST YOU.

On September 15, 2016, the Supreme Court for the State of New York, New York County (the "Court") signed an order (the "Order to Show Cause") setting October 11, 2016 at 10:00 a.m. as the date and time for any interested parties or their attorneys to appear and show cause why an order approving certain procedures (the "Claims Adjudication Procedure") for adjudicating claims for payment under Health Republic's insurance policies ("Policy Claims") should not be entered.

If you are a former member of Health Republic and have a Policy Claim against Health Republic, you should have submitted your Policy Claim in accordance with the deadlines and procedures set forth in your insurance policy. If you already properly submitted a Policy Claim in accordance with the requirements of your insurance policy, you do not need to re-submit it.

If you are a health care provider and have a Policy Claim against Health Republic, you should have submitted your Policy Claim in accordance with the deadlines and procedures set forth in the contract governing your provision of services to former members of Health Republic (your "Health Republic Contract"). If you already properly submitted a Policy Claim in accordance with the requirements of your Health Republic Contract, you do not need to re-submit it.

The Claims Adjudication Procedure is intended to provide an efficient and economic method for the Liquidator to seek the allowance or disallowance of Policy Claims on an ongoing basis, while offering due process to holders of Policy Claims who object to her recommendations. An "allowed" Policy Claim is a Policy Claim that has been approved by the Liquidator and/or the Court, as applicable, pursuant to the Claims Adjudication Procedure and will therefore be allowed to share in a distribution of the assets, if any, of HRINY. A "disallowed" Policy Claim is a Policy Claim that has been rejected by the Liquidator and/or the Court, as applicable, pursuant to the Claims Adjudication Procedure, and will not be allowed to share in a distribution of HRINY's assets. A Policy Claim may be disallowed in whole or in part, in which case only the allowed portion will be entitled to a distribution.

As a first step in the claims administration, the Liquidator will engage a third party to conduct an independent audit of the existing inventory of Policy Claims, and based on the audit results, Explanation of Benefits/Allowance ("EOBs") will be issued for each Policy Claim to Providers and Members. The EOBs will advise HRINY's Members and Providers of the amounts of their respective claims against the estate and their rights as to each other. It is anticipated that EOBs will begin to be mailed to Providers and Members in the first quarter of 2017.

If a Member or Provider accepts the EOB, they are not required to take any further action. If a Member or Provider disagrees with the EOB, they will have the opportunity to appeal any and all determinations set forth in the EOB through Health Republic's website at [www.healthrepublicny.org](http://www.healthrepublicny.org) or by paper copy to the address indicated in the Claims Adjudication Procedure. The written appeal and supporting documentation must be submitted within 60 days of the date of mailing of the EOB. The Liquidator and her agents, utilizing the appropriate resources to investigate the appeal, will review each appeal and, within 60 days, either grant the appeal and issue a revised EOB or deny the appeal and provide the reasons for the denial.

If a Member or Provider accepts the Liquidator's determination of the appeal, they are not required to take any further action. If a Member or Provider objects to the determination of the appeal, the Member or Provider will have 30 days from the date the notice of denial is sent to file an objection to the denial of the appeal.

The Liquidator may choose to resolve objections to the denial of an appeal of an EOB through mediation or through mutual agreement of the parties. Alternatively, unresolved objections to the denial of an appeal of an EOB will be referred to a referee or a healthcare qualified claims examiner, as applicable, to hear and determine (on a final basis, if the parties consent, or as a report and recommendation to the Court) on the validity of disputed EOBs. The Claims Adjudication Procedure contains deadlines by which the Liquidator will determine whether to direct an objection to mediation, or whether to refer an unresolved objection directly to a referee or healthcare qualified claims examiner.

Policy claims that have been adjudicated will appear on a list filed under seal with the Court. Members and Providers will be able to securely look up the disposition of their claim through the look-up tool available on Health Republic's website. The final result of the Claims Adjudication Procedure will be the allowance or disallowance of every Policy Claim.

The Liquidator anticipates that the total amount of allowed Policy Claims will not be known until at least mid-2017. Commencement of distributions on allowed Policy Claims would not begin before this date, and may be further delayed by other factors, including court proceedings and efforts to collect assets on behalf of Health Republic. The Liquidator intends to process Policy Claims as efficiently as possible and maximize the amount of assets available to pay allowed Policy Claims.

There is no procedure for submission and adjudication of claims other than Policy Claims at this time. While not anticipated, should Health Republic ultimately be determined to have sufficient assets to fully pay the expenses of administering the Liquidation Proceeding and all Policy Claims, the Liquidator would seek relief from the Court to establish a deadline and procedures for the submission of claims other than Policy Claims.

PLEASE BE ADVISED THAT THE TERMS OF THE ORDER TO SHOW CAUSE AND THE CLAIMS ADJUDICATION PROCEDURE ARE DESCRIBED IN THIS NOTICE IN SUMMARY FORM ONLY. PLEASE READ THE CLAIMS ADJUDICATION PROCEDURE FOR A COMPLETE DESCRIPTION OF ITS TERMS. YOU MAY ACCESS A COPY OF THE CLAIMS ADJUDICATION PROCEDURE ON THE WEBSITE MAINTAINED BY HEALTH REPUBLIC, [WWW.HEALTHREPUBLICNY.ORG](http://WWW.HEALTHREPUBLICNY.ORG), OR ON THE WEBSITE MAINTAINED BY THE NYLB, [WWW.NYLB.ORG](http://WWW.NYLB.ORG). ONCE APPROVED BY THE COURT, THE CLAIMS ADJUDICATION PROCEDURE WILL BE POSTED ON THE WEBSITES OF HEALTH REPUBLIC AND THE NYLB. MEMBERS AND PROVIDERS WHO WOULD LIKE TO RECEIVE A HARD COPY OF THE CLAIMS ADJUDICATION PROCEDURE SHOULD CONTACT THE GARDEN CITY GROUP VIA THE HEALTH REPUBLIC HOTLINE AT (866) 680-0893.

Requests for further information or questions may be directed to (866) 680-0893 or [www.healthrepublicny.org](http://www.healthrepublicny.org).

MARIA T. VULLO  
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