EISNERAMPER

THE DOMESTIC ESTATES IN LIQUIDATION

Combined Financial Statements of the
Domestic Estates in Liquidation
- Modified Cash Basis

December 31, 2019 and 2018
With Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Superintendent of Financial Services of the State of New York as Receiver and the Management of the Domestic Estates in Liquidation managed by the New York Liquidation Bureau

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of the Domestic Estates in Liquidation managed by the New York Liquidation Bureau, which comprise the combined statements of assets, liabilities and deficit of assets over liabilities – modified cash basis as of December 31, 2019 and 2018, and the related combined statements of cash receipts and disbursements and changes in cash, cash equivalents and invested assets (unrestricted) – modified cash basis for each of the years then ended and the related notes to the combined financial statements – modified cash basis.

Management's Responsibility for the *Combined Domestic Estates Financial Statements*

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the combined financial position (modified cash basis) of the Domestic Estates in Liquidation managed by the New York Liquidation Bureau as of December 31, 2019 and 2018, and the related combined statements of cash receipts and disbursements and changes in cash, cash equivalents and invested assets (unrestricted) – modified cash basis for each of the years then ended, in accordance with the modified cash basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the combined financial statements, which describes the basis of accounting. The combined financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 2 to the combined financial statements, these combined financial statements were prepared on the modified cash basis of accounting. Given the nature of the liquidation process, Non-Allowed Claims are preliminary estimates established for claims that have not yet been allowed. As a result of these preliminary estimates, these liabilities may change materially during the course of the liquidation at the point at which they become allowed. The Combined Domestic Estates Financial Statements also do not reflect any provision for incurred but not reported claim reserves.

Restriction on Use

The report is intended solely for the information of and use of the Superintendent of Financial Services of the State of New York as Receiver, to whose jurisdiction the Company is subject, the New York Liquidation Bureau ("NYLB") and management of the Company and is not intended to be, and should not be, used by anyone other than these specified parties.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
July 30, 2020

THE DOMESTIC ESTATES IN LIQUIDATION
Combined Statements of Assets, Liabilities, and Deficit of Assets Over Liabilities – Modified Cash Basis
As of December 31,

Combined Assets	2019	2018
Unrestricted Assets:		
Cash and Cash Equivalents	**$ 5,692,824**	$ 12,231,884
Bonds, at fair market value	**718,944,396**	688,013,503
Investment in Subsidiaries	**-**	388,865
Total Cash, Cash Equivalents and Invested Assets	**724,637,220**	700,634,252
Reinsurance Recoverables on Paid Losses and LAE (Note 5)	**200,057,618**	269,458,542
Less: Allowance for Uncollectible Reinsurance Recoverables (Note 5)	**(179,031,048)**	(264,043,911)
Net Reinsurance Recoverables on Paid Losses and LAE	**21,026,570**	5,414,631
Reinsurance Recoverables on Unpaid Losses and LAE (Note 5)	**89,368,895**	83,233,598
Less: Allowance for Uncollectible Reinsurance Recoverables (Note 5)	**(56,394,840)**	(71,176,201)
Net Reinsurance Recoverables on Unpaid Losses and LAE	**32,974,055**	12,057,397
Amounts Recoverable from Federal Reinsurance (Note 7)	**51,736,709**	51,736,709
Less: Reserve for Retrospective Premiums Receivable (Note 7)	**(51,736,709)**	(51,736,709)
Net Amount Recoverable from Federal Reinsurance	**-**	-
Accrued Retrospective Premiums Receivable-Risk Corridors (Note 7)	**445,134,282**	445,134,282
Less: Reserve for Retrospective Premiums Receivable (Note 7)	**(445,134,282)**	(445,134,282)
Net Accrued Retrospective Premiums Receivable	**-**	-
Receivable from CMS	**125,673**	1,808,668
Less: Reserve for `Receivable from CMS	**(125,673)**	-
Net Receivable from CMS	**-**	1,808,668
Receivables from Others	**4,150,000**	4,448,384
Accrued Investment Income	**2,692,583**	2,875,618
Other Assets	**1,195,785**	4,067,667
Total Unrestricted Assets	**786,676,213**	731,306,617
Restricted Assets:		
Statutory Deposits in Various States	**10,541,756**	12,215,620
Other Restricted Assets	**24,487,680**	26,830,063
Total Restricted Assets	**35,029,436**	39,045,683
Total Combined Assets	**$ 821,705,649**	$ 770,352,300

See accompanying notes to the Combined Financial Statements of the Domestic Estates in Liquidation – Modified Cash Basis (as defined herein). The Combined Financial Statements of the Domestic Estates in Liquidation – Modified Cash Basis and accompanying notes are prepared solely for the use of the Receiver, the NYLB and Management (as defined herein).

THE DOMESTIC ESTATES IN LIQUIDATION
Combined Statements of Assets, Liabilities, and Deficit of Assets Over Liabilities – Modified Cash Basis (Continued)
As of December 31,

	2019	2018
Combined Liabilities		
Secured Claims	**$ 24,396,087**	$ 14,417,094
Unsecured Claims:		
Class One - Administrative Claims	**8,746,890**	8,798,067
Class Two - Claims and Related Costs		
Allowed	**2,689,749,901**	2,417,209,507
Non-Allowed	**625,433,401**	917,714,665
Total Class Two - Claims and Related Costs	**3,315,183,302**	3,334,924,172
Class Three - Federal Government Claims	**252,610,380**	244,104,567
Class Four - Employee Claims	**10,641**	10,641
Class Five - State and Local Government Claims	**52,199,410**	49,390,440
Class Six - General Creditor Claims	**440,389,593**	475,163,408
Class Seven - Late Filed Claims	**309,790,948**	309,790,948
Class Eight - Section 1307 (Shareholder) Loans	**435,997,293**	435,997,293
Class Nine - Shareholder Claims	**180,470,855**	180,130,166
Total Combined Liabilities	**5,019,795,399**	5,052,726,796
Other Post-Employment Benefits Liability	**42,448,376**	42,013,348
Deficit of Combined Liabilities over Combined Assets	**(4,240,538,126)**	(4,324,387,844)
Total Combined Liabilities and Deficit of Combined Assets over Combined Liabilities	**$ 821,705,649**	$ 770,352,300

See accompanying notes to the Combined Financial Statements of the Domestic Estates in Liquidation – Modified Cash Basis (as defined herein). The Combined Financial Statements of the Domestic Estates in Liquidation – Modified Cash Basis and accompanying notes are prepared solely for the use of the Receiver, the NYLB and Management (as defined herein).

THE DOMESTIC ESTATES IN LIQUIDATION
Combined Statements of Cash Receipts and Disbursements and Changes in Cash, Cash Equivalents and Invested Assets (Unrestricted) - Modified Cash Basis
For the Years Ended December 31

	2019	2018
Combined Receipts:		
Net Investment Income Received	**$ 17,247,769**	$ 12,246,188
Reinsurance Recovered	**12,626,765**	12,040,422
Litigation Award	**2,200,000**	-
CMS Recoveries	**1,974,811**	-
Release from Statutory Deposits	**1,914,325**	3,874,555
Transfer from Segregated Account	**1,625,085**	193,611
Pharmacy Reimbursements	**794,055**	-
Miscellaneous	**285,702**	914,229
Salvage and Subrogation Recoveries	**262,556**	2,187,546
Large Deductible	**105,618**	-
Reimbursement from Central Disbursement Account	**100,000**	-
Premiums Collected	**7,872**	7,582
Total Combined Receipts	**39,144,558**	31,464,133
Combined Disbursements:		
Distributions	**10,966,896**	17,429,362
Salaries	**5,570,694**	6,249,452
Employee relations and Welfare	**4,274,413**	3,674,359
Professional Fees	**2,252,415**	2,555,734
Rent and Related Expenses	**1,335,324**	2,865,434
General and Administrative Expenses	**682,740**	1,351,982
Loss Adjustment Expense	**457,934**	381,727
Miscellaneous	**1,024,638**	1,942,750
Salvage and Subrogation	**47,226**	29,717
Transfer to Segregated Account	**10,048**	772,273
Large Deductible	**-**	220,256
Total Combined Disbursements	**26,622,328**	37,473,046
Combined Receipts over Combined Disbursements /(Combined Combined Disbursements over Combined Receipts)	**12,522,230**	(6,008,913)
Cash, Cash Equivalents and Invested Assets (Unrestricted), Beginning of Year	**700,634,252**	696,513,562
Opening Cash, Cash Equivalents and Invested Assets (Unrestricted), Balances of New Estates	**2,847,825**	10,193,532
Realized Loss on Sale of Real Estate	**-**	(1,865,555)
Net Change in Realized/Unrealized Gains on Investments	**8,632,913**	1,801,626
Cash, Cash Equivalents and Invested Assets (Unrestricted), End of Year	**$ 724,637,220**	$ 700,634,252

See accompanying notes to the Combined Financial Statements of the Domestic Estates in Liquidation – Modified Cash Basis (as defined herein). The Combined Financial Statements of the Domestic Estates in Liquidation – Modified Cash Basis and accompanying notes are prepared solely for the use of the Receiver, the NYLB and Management (as defined herein).

Note 1: Nature of Operations of the Combined Domestic Estates in Liquidation

Background

The New York Liquidation Bureau ("NYLB" or the "Bureau") is the office that carries out the duties of the Superintendent of Financial Services of the State of New York ("Superintendent") in her capacity as receiver ("Receiver") of impaired or insolvent insurance companies ("Estates") under New York Insurance Law ("Insurance Law") Article 74. The NYLB reports to the Superintendent in her capacity as Receiver rather than in her capacity as regulator and head of the Department of Financial Services ("DFS"). The NYLB operates separately from the DFS. The Superintendent, as Receiver, has the authority under Insurance Law Section 7422 to make such appointments including the Special Deputy Superintendent ("Special Deputy") and other Agents, (collectively, "Agents"), as are necessary to carry out her functions as Receiver. The Agents, along with division directors and senior managers of the NYLB, are collectively referred to herein as ("Management"). Management carries out, through the NYLB, the responsibilities of the Receiver with regard to the Estates. The NYLB manages the daily operations of all Estates. References to the liquidator or rehabilitator throughout this document refer to the Superintendent as Receiver.

The Combined Domestic Estates Financial Statements (as defined in Note 2) as of December 31, 2019 and 2018 pertain to the financial statements for each domestic Estate in liquidation set forth below:

	2019	2018
American Medical and Life Insurance Company	X	X
Atlantic Mutual Insurance Company	X	X
Atlantis Health Plan, Inc.	X	
Centennial Insurance Company	X	X
Cuatro, LLC	X	X
Drivers Insurance Company		X
Eveready Insurance Company	X	X
Fiduciary Insurance Company of America	X	X
First Central Insurance Company	X	X
Frontier Insurance Company	X	X
Group Council Mutual Insurance Company	X	X

Note 1: Nature of Operations of the Combined Domestic Estates in Liquidation Background (continued)

	2019	2018
Health Republic Insurance of New York, Corp.	X	X
Ideal Mutual Insurance Company	X	X
Insurance Corporation of New York	X	X
Touchstone Health HMO, Inc.	X	X
Midland Insurance Company	X	X
Professional Liability Insurance Company of America	X	X
Realm National Insurance Company	X	X
Union Indemnity Insurance Company of New York	X	X

The NYLB hereinafter refers to each of the foregoing Estates as a ("Domestic Estate in Liquidation") and all of the Domestic Estates in Liquidation collectively, as the ("Combined Domestic Estates in Liquidation").

The following Domestic Estates in Liquidation were placed into liquidation in 2019:

Atlantis Health Plan, Inc.

The liquidation proceeding of the following Estate was terminated during the period ended December 31, 2019, however, activity and residual liabilities for the terminated Domestic Estate in Liquidation is included through the date of termination.

Realm National Insurance Company

Note 1: Nature of Operations of the Combined Domestic Estates in Liquidation Background (continued)

The financial statements for the following Estates are not included in the Combined Domestic Estates Financial Statements for the years ended December 31, 2019 and 2018: (i) Executive Life Insurance Company of New York which was placed into rehabilitation on April 23, 1991 and converted to a liquidation on August 8, 2013; (ii) fraternal associations; and (iii) ancillary Estates.

Profiles of Combined Domestic Estates In Liquidation Included in the Combined Domestic Estates Financial Statements for the Year Ended December 31, 2019 and 2018.

(1) American Medical and Life Insurance Company ("AMLI")
AMLI was placed into liquidation by order dated December 28, 2016 ("Liquidation Order") and the Superintendent was appointed Liquidator.

A bar date of September 28, 2017, for the submission of all claims against AMLI or its insureds was established by the Liquidation Order.

In December 2018, the Supreme Court of the State of New York approved a procedure for judicial review of the Liquidator's adjudication and classification of claims ("Adjudication Procedure") under Insurance Law Section 7435.

In the 2019 and 2018 financial statements of the Combined Domestic Estates, AMLI's classes of liabilities are presented under Insurance Law 7434. The difference between Section 7434 and Section 7435 is not considered significant for purposes of the combined financial statements. In the event that an issue arises in the distribution of AMLI's assets under Section 7435, the Liquidator will refer the matter to the Receivership Court.

(2) Atlantic Mutual Insurance Company ("AMIC")
AMIC was placed into rehabilitation on September 16, 2010. On April 27, 2011, the rehabilitation was converted to a liquidation and the Superintendent was appointed liquidator.

A bar date of December 15, 2013, was established for the submission of all claims against AMIC or its insureds, and January 16, 2015, was established as the last day to submit evidence in support of such claims.

Note 1: **Nature of Operations of the Combined Domestic Estates in Liquidation Background (continued)**

Profiles of Combined Domestic Estates In Liquidation (continued)

(3) Atlantis Health Plan Inc. ("Atlantis")
Atlantis was placed into liquidation by order dated April 19, 2019 and the Superintendent was appointed Liquidator, by an order of the Supreme Court of the State of New York.

A bar date of October 11, 2019, was established for the submission of all claims against Atlantis or its insureds.

(4) Centennial Insurance Company ("Centennial")
Centennial was placed into rehabilitation on September 16, 2010. On April 27, 2011, the rehabilitation was converted to a liquidation and the Superintendent was appointed liquidator.

A bar date of December 15, 2013, was established for the submission of all claims against Centennial or its insureds, and January 16, 2015, was established as the last day to submit evidence in support of such claims.

(5) Cuatro LLC ("Cuatro")
Cuatro was placed into liquidation on August 6, 2018 and the Superintendent was appointed liquidator.

A bar date of February 2, 2019, was established for the submission of all claims against Cuatro or its insureds.

(6) Drivers Insurance Company ("Drivers")
The Drivers liquidation proceeding was closed on November 14, 2018.

(7) Eveready Insurance Company ("Eveready")
Eveready was placed into liquidation on January 29, 2015 and the Superintendent was appointed liquidator.

A bar date of January 29, 2016, was established for the submission of all claims against Eveready or its insureds.

(8) Fiduciary Insurance Company of America ("FIC")
FIC was placed into liquidation by order dated July 25, 2017 and the Superintendent was appointed liquidator.

Note 1: Nature of Operations of the Combined Domestic Estates in Liquidation Background (continued)

Profiles of Combined Domestic Estates In Liquidation (continued)

A bar date of September 24, 2018, for the submission of claims against FIC was established by the liquidation order.

(9) First Central Insurance Company ("FCIC")
FCIC was placed into rehabilitation on January 28, 1998. On April 27, 1998, the rehabilitation was converted to a liquidation and the Superintendent was appointed liquidator.

A bar date of April 30, 2013, was established for the submission of all claims against FCIC or its insureds.

(10) Frontier Insurance Company ("Frontier")
Frontier was placed into rehabilitation on October 15, 2001. On November 16, 2012, the rehabilitation was converted to a liquidation and the Superintendent was appointed liquidator.

In liquidation, a bar date of December 31, 2013, was established for the submission of all claims against Frontier or its insureds, and December 31, 2014 was established as the last date for the submission of evidence in support of such claims.

(11) Group Council Mutual Insurance Company ("Group Council")
On March 19, 2002, Group Council was placed into liquidation and the Superintendent was appointed liquidator.

A bar date of August 31, 2013, was established for the submission of all claims against Group Council or its insureds.

(12) Health Republic Insurance of New York, Corp. ("HRINY")
The New York Supreme Court placed HRINY into liquidation and the Superintendent was appointed as liquidator on May 11, 2016.

Paragraph 19 of the order of liquidation states:

"With respect to all claims other than the Policy Claims referenced in paragraph 18, the deadline set forth in Section 7432(b) of the New York Insurance Law for all persons who have claims against HRINY to present such claims to the Liquidator shall be deferred until further order of the Court. The Liquidator is authorized in her discretion to refrain from adjudicating claims other than Administrative Expenses and Policy Claims."

Note 1: Nature of Operations of the Combined Domestic Estates in Liquidation Background (continued)

Profiles of Combined Domestic Estates In Liquidation (continued)

(12) Health Republic Insurance of New York, Corp. ("HRINY") (continued)

In compliance with the order, the NYLB has deferred the adjudication of creditor claims below Class Two, but has included in the Combined Domestic Estates Financial Statements liabilities that were present on the HRINY balance sheets at the date of liquidation and has reported them in their respective Creditor Classes in the Combined Domestic Estates Financial Statements. Management is not able to estimate the number or dollar amount of claims the submission of which have been deferred.

(13) Ideal Mutual Insurance Company ("Ideal")

Ideal was placed into rehabilitation on December 26, 1984. On February 7, 1985, the rehabilitation was converted to a liquidation and the Superintendent was appointed liquidator.

A bar date of December 31, 2003, was established for the submission of all claims against Ideal or its insureds.

(14) Midland Insurance Company ("Midland")

On April 3, 1986, Midland was placed into liquidation and the Superintendent was appointed liquidator.

On July 1, 2011, the Midland Receivership Court entered an order ("Bar Date Order"), which established January 31, 2012, as the last date on which the holder of a claim against Midland, except the Guaranty Funds of foreign (i.e., states other than New York) Guaranty Funds, may submit to the Liquidator an amendment to a previously filed or deemed filed proof of claim, including a policyholder protection proof of claim, and established January 31, 2013, as the last date on which the holder of a claim against Midland, except Guaranty Funds, may submit to the Liquidator proof in support of allowance of a previously filed (or deemed filed) claim against Midland. On April 30, 2015, an order (April 2015 Order) was entered establishing December 31, 2015, as the date by which all undetermined POC ("Proof of Claim"). Claimants, as defined in the April 2015 Order, may submit to the Liquidator a Claim Amendment, as defined in the Bar Date Order, that was capable of having been submitted by the January 31, 2012 deadline established in the Bar Date Order, and any proof in support of the allowance of the claim of that was capable of having been submitted by the January 31, 2013 deadline established in the Bar Date Order.

Note 1: Nature of Operations of the Combined Domestic Estates in Liquidation Background (continued)

Profiles of Combined Domestic Estates In Liquidation (continued)

(15) Professional Liability Insurance Company of America ("PLICA")
PLICA was placed into rehabilitation on April 30, 2010. On February 10, 2014, the rehabilitation proceeding was converted to a liquidation and the Superintendent was appointed liquidator.

A bar date of June 30, 2017, was established for the submission of all claims against PLICA and its insureds, including claims reportable under any extended reporting period endorsements of policies issued by PLICA.

(16) Realm National Insurance Company ("Realm")
The Realm liquidation proceeding was closed by Court Order on January 23, 2019.

(17) The Insurance Corporation of New York ("INSCORP")
INSCORP was placed into rehabilitation on June 30, 2009. On March 10, 2010, the rehabilitation was converted to a liquidation and the Superintendent was appointed liquidator.

A bar date of December 31, 2012, was established for the submission of all claims against INSCORP or its insureds.

(18) Touchstone Health HMO, Inc. ("Touchstone")
Touchstone Health HMO, Inc. was placed into liquidation by Court Order dated May 11, 2018, and the Superintendent was appointed as liquidator.

A bar date of November 13, 2018, was established for the submission of all claims against Touchstone or its insureds.

Note 1: Nature of Operations of the Combined Domestic Estates in Liquidation Background (continued)

Profiles of Combined Domestic Estates In Liquidation (continued)

(19) Union Indemnity Insurance Company of New York ("Union")

On July 16, 1985, Union was placed into liquidation and the Superintendent was appointed liquidator.

A bar date of July 19, 2010, was established for the submission of all claims against Union or its insureds.

NYLB's Role With Respect to the New York Security Funds

The NYLB's expenses are paid from the assets of the Estates under receivership, as well as reimbursements from the New York Property/Casualty Insurance Security Fund ("P/C Fund") and the Public Motor Vehicle Liability Security Fund ("PMV Fund"), established under Insurance Law Article 76, and the Workers' Compensation Security Fund ("WC Fund"), established under New York Workers' Compensation Law Article 6-A (collectively, the "Security Funds"), which are funded by assessments on insurance company premiums on policies written in the State of New York. The NYLB performs claims-handling and certain payment functions relating to the Security Funds. The Security Funds are used to pay eligible claims remaining unpaid by reason of an insolvent insurer's inability to meet its obligations to policyholders. To the extent that the Security Funds pay eligible claims of an Estate, the Security Funds become creditors of the Estate.

Guaranty Funds of Other States

Other States and jurisdictions have established guaranty funds to pay the claims of insolvent insurance companies pursuant to their respective state laws. These Guaranty Funds may be creditors of the Estates in liquidation. To the extent that the Guaranty Funds pay eligible claims of an Estate, the Guaranty Funds become creditors of the Estates.

Note 2: Summary of Significant Accounting Policies Basis of Presentation

The Combined Statements of Assets, Liabilities, and Deficit of Assets Over Liabilities – Modified Cash Basis and Combined Statements of Cash Receipts and Disbursements and Changes in Cash, Cash Equivalents and Invested Assets (Unrestricted) – Modified Cash Basis (collectively, "Combined Financial Statements of the Domestic Estates in Liquidation – Modified Cash Basis") reflect the combined financial position and combined cash receipts and disbursements of the Combined Domestic Estates in Liquidation. The Combined Domestic Estates Financial Statements have been prepared on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America ("U.S. GAAP"). This modified cash basis presentation differs from U.S. GAAP in that the gains or losses on invested assets are reported on the combined statements of cash receipts and disbursements, revenues are recognized when received, rather than when earned, and certain expenses are recognized when paid, rather than when the obligation is incurred. This modified cash basis presentation is cash basis accounting that incorporates the following accruals: (i) investment income earned but not yet received; (ii) post-employment benefits; (iii) unpaid claims and related expenses; (iv) a reserve for uncollectable reinsurance recoverables on paids and outstanding reserves; (v) accruals for Classes One through Nine Claims, including administrative expenses, presented on a U.S. GAAP equity basis; and (vi) unrealized gains and losses on investments.

The Combined Domestic Estates Financial Statements do not include direct incurred but not reported reserves, and investments in subsidiaries are not consolidated and presented on a U.S. GAAP equity basis.

The following Supplementary Schedules are attached hereto as Appendix A:

- December 31, 2019 and 2018:

  The Domestic Estates in Liquidation Combining Schedules of the Estates' Assets, Liabilities, and (Deficit) Surplus of Assets Over Liabilities

  Cash Receipts and Disbursements and Changes in Cash, Cash Equivalents and Invested Assets (Unrestricted) – Modified Cash Basis

In the beginning of a liquidation proceeding, the liabilities are typically preliminary estimates that may change materially during the course of the liquidation, depending on the types of business that were written by the insurance company and the complexity of the insurance company's activities and organization.

Note 2: Summary of Significant Accounting Policies Basis of Presentation (continued)

Preparation of the Combined Domestic Estates Financial Statements requires Management to make estimates and assumptions that may affect the amounts reported herein and related accompanying notes. When these amounts are ultimately determined (*i.e.*, no longer require the use of estimates and assumptions to be calculated), the determined amounts may differ significantly from the amounts reported herein.

Combined Assets

Cash and Cash Equivalents

Cash and cash equivalents are presented at cost, which approximates fair market value, and include cash and investments held at financial institutions. These investments include money market funds and other highly liquid investments with remaining maturities of one year or less.

The NYLB maintains the cash balances of the Combined Domestic Estates in Liquidation in investments and at financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). These institutions currently have short-term ratings of P-1 (Moody's), A-2 (S&P) and F1+ (Fitch) for JP Morgan Chase, and P-1 (Moody's), A-1+ (S&P) and F1+ (Fitch) for Bank of New York Mellon. As of December 31, 2019 and 2018, the FDIC insured accounts up to $250,000 at the above named institutions. Management monitors balances of cash in excess of insured limits and believes that such balances do not represent a material credit risk to the Combined Domestic Estates in Liquidation.

Bonds

Bonds include short-term and long-term U.S. Treasury and agency securities that are generally held until maturity, some of which may be subject to demand features. These investments are recorded at estimated fair market value based on quoted market prices. The unrealized gains or losses on these securities are recorded in the Combined Statements of Cash Receipts and Disbursements and Changes in Cash, Cash Equivalents and Invested Assets (Unrestricted) – Modified Cash Basis. (See Note 3).

Note 2: Summary of Significant Accounting Policies (continued)

Combined Assets (continued)

Investment in Subsidiaries

Investments in Subsidiaries represent ownership interests in wholly-owned subsidiaries carried at fair market value based on underlying audited equity, with unrealized gains or losses shown in the Combined Statements of Cash Receipts and Disbursements and Changes in Cash, Cash Equivalents, and Invested Assets (Unrestricted) – Modified Cash Basis.

As of December 31, 2019 and 2018, the Combined Domestic Estates in Liquidation had Investments in Subsidiaries with an estimated fair value as follows:

	2019	2018
AMIC's Investments in Subsidiaries	$ -	$ 388,865
Total Investments in Subsidiaries	$ -	$ 388,865

The AMIC Estate had a directly wholly-owned insurance subsidiary, Atlantic Mutual International Limited ("AMIL"), which is an insurance company domiciled in the United Kingdom. AMIL transferred its assets and liabilities to Bothnia International Insurance Company Limited, which was approved by The Business & Property Courts of England and Wales on May 8, 2018. On May 21, 2018 approximately GB£1,637,253 or $2,209,013 was transferred to Bothnia International Insurance Company Limited.

On November 28, 2018, the Prudential Regulation Authority ("PRA") granted the voluntary de-authorization of AMIL.

On March 7, 2019, AMIL and AMIC-UK filed an application for voluntary dissolution with the Registrar of Companies, Companies House, which was granted on June 25, 2019. Upon the dissolution of AMIL and AMIC-UK, the remaining funds of $2,261,089 was repatriated to AMIC-US.

Reinsurance

Reinsurance recoverables on paid or allowed losses and loss adjustment expenses ("LAE") are reported as an asset when billed to reinsurers. Reinsurance recoverables on unpaid and non-allowed losses and LAE case reserves are reported as an asset when the reserve is set. These unpaid losses and LAE case reserves reflect Management's best estimates and therefore related reinsurance recoverables are subject to adjustment. Provision is made for uncollectible reinsurance as explained in Note 5.

Note 2: Summary of Significant Accounting Policies (continued)

Combined Assets (continued)

HRINY Receivable from Federal Reinsurance Program

HRINY participated in the ACA's temporary Federal Reinsurance Program, which was created to reduce the incentive for insurers to charge higher premiums due to new market reforms that guaranteed health insurance coverage regardless of health status. Under this Program, eligible health insurers, like HRINY, received reinsurance payments for high-cost enrollees when the plan's cost for that enrollee exceeded $45,000. The maximum reimbursement of the reinsurance cap for all three benefit years was $250,000. The coinsurance rate, the percentage of costs above the $45,000 attachment point and below the $250,000 reinsurance cap that were reimbursed through this Program was set at 80% for benefit year 2014 and 50% for benefit years 2015 and 2016. In preparing the Combined Domestic Estates Financial Statements, Management made estimates of amounts recoverable under the Federal Reinsurance Program. Federal Reinsurance is discussed further in Note 7.

HRINY Accrued Retrospective Premiums Receivable – Risk Corridors Program

HRINY participated in the ACA's temporary Risk Corridors Program, which was created to promote accurate premiums in the early years of the exchanges by discouraging insurers from setting premiums high in response to uncertainty about enrollment and costs. Premium adjustments pursuant to the Risk Corridors Program are accounted for as premium adjustments for retrospectively rated contracts. Management has established a reserve for the accrued retrospective premiums receivable which represents Management's best estimate of recovery. Management believes its estimates are reasonable and adequate and reviews and adjusts them as necessary.

Accrued retrospective premiums receivable – Risk Corridor is discussed further in Note 7.

Receivables from Others

Receivables from Others include: (i) cash deposited in the central disbursement account ("CDA") for administrative expenses, (ii) retainer fees with third-party administrators and consultants and (iii) Receivable from Affiliates.

As of December 31, 2019 and 2018, the Receivables from Others are as follows:

	2019	2018
Receivable From Affiliates	$ -	$ 198,384
Cash on Deposit with CDA	4,150,000	4,250,000
Total	$ 4,150,000	$ 4,448,384

The CDA is discussed in further detail in Note 10.

Note 2: Summary of Significant Accounting Policies (continued)

Combined Assets (continued)

Accrued Investment Income

Accrued Investment Income includes revenue from the investment portfolio that is earned but not yet received and is reported as accrued investment income in the Combined Statements of Assets, Liabilities, and Deficit of Assets Over Liabilities – Modified Cash Basis. The change in accrued investment income is recorded in net investment income received.

Other Assets

Other Assets includes (i) advances to third-party administrators and (ii) pharmacy receivables.

As of December 31, 2019 and 2018, Other Assets by Estate are as follows:

Estate	2019	2018
Cuatro	$ 25,000	$ 405,939
Atlantic Mutual	242,098	1,194,676
Fiduciary	434,404	609,488
Centennial	112,463	608,310
Health Republic	368,964	474,592
INSCORP	-	464,000
Realm	-	160,956
Frontier	-	130,326
American Medical	12,856	19,380
Total	$ 1,195,785	$ 4,067,667

Restricted Assets

Statutory Deposits in New York or Other States

Statutory Deposits in New York or Other States are monies held by various state regulatory authorities in compliance with the insurance laws of the respective states and recorded at fair market value.

The sale of securities may be restricted pursuant to insolvency deposit requirements in states where one or more of the Domestic Estates in Liquidation previously conducted business. Due to their restrictive nature, these investments are classified as Restricted Assets and recorded at fair market value without regard to contractual maturity.

Note 2: Summary of Significant Accounting Policies (continued)

Restricted Assets (continued)

Other Restricted Assets

Security Fund Cash:

Security Fund Cash consists of dedicated monies received from the Security Funds solely to pay specific policy-related claims and expenses.

Funds Held for Secured Claims:

These funds are held for claims secured by letter of credit ("LOC") or other collateral securities, but do not include special deposit claims or claims against general assets.

Other Assets:

Restricted Assets are held to meet specific obligations, such as the payment of dividends and Second Injury Fund Claims, and the transfer of funds to the New York State Comptroller's office of Unclaimed Funds.

As of December 31, 2019, the details of the Restricted Assets for each Domestic Estate in Liquidation are set forth in the table below (Estates without restricted assets are excluded):

		Restricted Assets			
Domestic Estate in Liquidation	Statutory Deposits	Security Fund Cash	Funds Held for Secured Claims	Other Assets	Total
AMIC	$ 4,918,881	$ -	$ 14,812,462	$ 688,613	$ 20,419,956
AMLI	292,215	-	-	-	292,215
Centennial	3,779,660	-	773,037	229,538	4,782,235
Cuatro	-	-	-	25,357	25,357
Frontier	1,445,338	-	1,714,896	-	3,160,234
Ideal	-	-	-	361,397	361,397
Inscorp	105,662	-	679,418	990,248	1,775,328
Midland	-	252	626,720	431,009	1,057,981
Union	-	-	3,121,107	33,626	3,154,733
Total	$ 10,541,756	$ 252	$ 21,727,640	$ 2,759,788	$ 35,029,436

Note 2: Summary of Significant Accounting Policies (continued)

Restricted Assets (continued)

As of December 31, 2018, the details of the Restricted Assets for each Domestic Estate in Liquidation are set forth in the table below (Estates without restricted assets are excluded):

Domestic Estate in Liquidation	Statutory Deposits	Restricted Assets: Security Fund Cash	Restricted Assets: Funds Held for Secured Claims	Restricted Assets: Other Assets	Total
AMIC	$ 6,755,656	$ -	$ 14,525,544	$ 688,613	$ 21,969,863
AMLI	274,070	-	-	-	274,070
Centennial	3,649,896	-	773,359	229,538	4,652,793
Cuatro	-	-	-	25,357	25,357
Frontier	1,432,583	-	1,712,215	-	3,144,798
Ideal	-	-	2,147,651	361,397	2,509,048
Inscorp	103,415	-	688,991	967,581	1,759,987
Midland	-	250	622,259	431,009	1,053,518
Union	-	-	3,570,211	86,088	3,656,299
Total	$ 12,215,620	$ 250	$ 24,040,230	$ 2,789,583	$ 39,045,683

Combined Liabilities

Secured Claims

Secured Claims, if present, relate to any claim secured by an LOC or other collateral security, but does not include special deposit claims or claims against general assets. Secured claims also include claims which have become liens upon specific assets by reason of judicial process more than four months prior to the commencement of delinquency proceedings. As of December 31, 2019 and 2018, Secured Claims totaled $24,396,087 and $14,417,094, respectively.

Unsecured Claims

Unsecured Claims are prioritized by class of creditor in the distribution of assets scheme set forth in Insurance Law Section 7434 for property/casualty insurers and Section 7435 for life insurance companies.

Note 2: Summary of Significant Accounting Policies (continued)

Combined Liabilities (continued)

Unsecured Claims (continued)

Under Insurance Law Section 7434, a claim under a policy is afforded a Class Two priority in the distribution of Estate assets. No payment of claims below Class Two claims can be made until all Class Two claims are paid in full. Classes Three through Nine are evaluated and paid if sufficient assets remain after the payment of Class Two claims.

(i) Class One – Administrative Claims
Claims with respect to the actual and necessary expenses of administration incurred by the liquidator.

(ii) Class Two – Policyholder Claims
All claims under policies, including claims of federal, state or local government for losses incurred, third party claims, claims for unearned premiums, and all claims of security funds or guaranty associations, but excluding claims under reinsurance contracts. The NYLB further classifies Class Two claims as either Allowed Claims or Non-Allowed Claims.

Allowed Claims
Allowed Claims are claims that have been approved by the Receivership Court, or the Superintendent. The liability carried is net of distributions, if any, that may have been paid as early access or dividends from the Domestic Estate.

Non-Allowed Claims
Non-Allowed Claims, are preliminary estimates established for claims that have not yet been allowed. Non-Allowed Claims consist of Established Reserves and or Reserves for Amounts Claimed which are amounts that have been determined by Management to be reasonable estimates of claims for incurred covered losses and associated LAE not yet allowed.

Management reviews the individual claim reserves that were established by the company prior to receivership and may in its discretion accept the reserves or may make adjustments based on the following factors: applicable contracts; comparative liability; injuries and causal relationship; past and future pain and suffering; physical damage estimates; time on the line for exposure to toxin(s); venue; and verdict values.

Note 2: Summary of Significant Accounting Policies (continued)

Combined Liabilities (continued)

Unsecured Claims (continued)

(ii) Class Two – Policyholder Claims (continued)
Although considerable variability is inherent in such estimates, Management believes that the Established Reserves for claims for incurred covered losses and associated LAE are reasonable.

The liabilities for creditor claims which have neither been determined by the NYLB nor allowed by the Receivership Court are carried as non-allowed claimed amounts. Therefore, reserves for non-allowed claimed amount may be overstated.

LAE is included in Reserves and is allocated to a Domestic Estate as either direct or indirect LAE. Direct LAE are expenses related to a specific claim and charged to the appropriate Domestic Estate. Examples of Direct LAE include attorney's fees, bill review, investigator and surveillance charges, expert fees and court reporters fees. Indirect LAE are those expenses that are allocated proportionally among the Domestic Estates, such as rent, utilities and other overhead costs.

The Established Reserves are reviewed and adjusted as necessary, as experience develops or new information becomes known.

(iii) Class Three – Federal Government Claims
Claims of the federal government, except those stated above in Class Two.

(iv) Class Four – Employee Claims
Claims for wages owing to employees of an insurer against whom an Article 74 proceeding is commenced and claims for unemployment insurance contributions required by Article 18 of the New York Labor Law.

(v) Class Five – State and Local Government Claims
Claims of state and local governments, except those stated above in Class Two.

(vi) Class Six – General Creditor Claims
Claims of general creditors, including, but not limited to, claims arising under reinsurance contracts.

Note 2: Summary of Significant Accounting Policies (continued)

Combined Liabilities (continued)

Unsecured Claims (continued)

(vii) Class Seven – Late Filed Claims
Claims filed late or any other claims other than claims stated in Class Eight or Class Nine below.

(viii) Class Eight – Section 1307 (Shareholder) Loans
Claims for advanced or borrowed funds made pursuant to Insurance Law Section 1307.

(ix) Class Nine – Shareholder Claims
Claims of shareholders or other owners in their capacity as shareholders.

Insurance Law Section 7435
The list of creditor classes in order of priority as set forth by Insurance Law Section 7435 is as follows:

(i) Class One – Administrative Claims
Claims with respect to the actual and necessary expenses of administration incurred by the Receiver.

(ii) Class Two – Employee Claims
Debts due to employees for services performed to the extent that they do not exceed $1,250 and represent payment for services performed within one year before the commencement of a proceeding under Article 74.

(iii) Class Three – Vendor Claims
All claims for payment for goods furnished or services rendered to the impaired or insolvent insurer in the ordinary course of business within ninety days prior to the date on which the insurer was determined to be impaired or insolvent.

(iv) Class Four – Policy and Annuity Contracted Related Claims
All claims under insurance policies, annuity contracts and funding agreements, and all claims of The Life Insurance Company Guaranty Corporation of New York or any other guaranty corporation or association of this state or another jurisdiction, other than Class One claims and claims for interest.

(v) Class Five – Federal, State and Local Government Claims
Claims of the federal or any state or local government.

Note 2: Summary of Significant Accounting Policies (continued)

Combined Liabilities (continued)

Unsecured Claims (continued)

Insurance Law Section 7435 (continued)

(vi) Class Six – General Creditor Claims
Claims of the federal government, except those stated above in Class Two.

(vii) Class Seven – Surplus, Capital or Contribution Notes
Surplus, capital and contribution notes, or similar obligations.

(viii) Class Eight – Policyholder, Shareholder Claims
The claims of (i) policyholders, other than claims under paragraph four of this subsection, and (ii) shareholders or other owners.

Distribution of Assets

Distributions of Estate assets are made in a manner that assures the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of non-adjudicated claims. The priority of distribution of assets for property/casualty and health companies is in accordance with Insurance Law Section 7434 for Property/Casualty and health companies and Section 7435 for life insurance companies. No sub-classes are established within any class and no equitable remedy may be used to avoid the priority of distribution of claims as set forth in Insurance Law Sections 7434 or 7435.

Allocation of Expenses

The NYLB allocates general and administrative expenses, such as salaries, payroll taxes, rent and related expenses, office expenses and employee relations and welfare (*e.g.*, contributions to employee health insurance, pension plans and other fringe benefits), among the Domestic Estates in Liquidation, Security Funds, ancillary Estates, conservations and fraternal associations. Reimbursement of such expenses is generally based on the amount of time NYLB employees allocate to the respective Domestic Estates in Liquidation and Security Funds.

Reclassification

Certain amounts from the 2018 financial statements have been reclassified to conform to the 2019 presentation.

Note 3: <u>Investments</u>

Investment income received includes interest income received from cash deposits, interest on bonds and short-term investments, dividends, realized gains or losses on sale of investments, and the amortization of bond premium and discount.

Realized gains and losses on investments sold are computed using the specific identification method, wherein gains and losses are recognized as of the settlement date, included in proceeds from investments and presented in net investment income received.

The components of net investment income received for the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Interest on Bonds	$ 14,859,766	$ 12,221,508
Interest on Short-Term Investments and Cash Equivalents	139,114	89,519
Realized Gain/(Loss) on Sale of Investments	159,738	(179,984)
Dividends	-	-
Unrealized loss on Partnerships	-	-
Dissolution of affiliate	-	-
Total Gross Investment Income	15,158,618	12,131,043
Net Amortization of Bond Premium and Discount	2,089,151	115,145
Net Investment Income Received	$ 17,247,769	$ 12,246,188

Note 3: Investments (continued)

As of December 31, 2019 and December 31, 2018, respectively, the cost or amortized cost and fair market value of bonds, by asset class are as follows:

	December 31, 2019			
Asset Class	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Asset backed	$ 81,460,668	$ 528,619	$ (25,140)	$ 81,964,147
Corporate	256,267,244	2,066,025	(20,606)	258,312,663
Government	73,352,898	567,360	(3,373)	73,916,885
Mortgage backed	11,071,517	139,926	(75,577)	11,135,866
Short term	100,799,357	6,080	(507)	100,804,930
Supranational	299,892	-	(16)	299,876
Tax-exempt municipal	89,854	1,912	-	91,766
Treasury	190,179,317	2,239,643	(697)	192,418,263
	$ 713,520,747	$ 5,549,565	$ (125,916)	$ 718,944,396

	December 31, 2018			
Asset Class	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Asset backed	$ 65,274,266	$ 92,361	$ (443,223)	$ 64,923,404
Corporate	296,834,898	186,261	(2,576,727)	294,444,433
Government	98,196,349	62,360	(588,648)	97,670,060
Mortgage backed	13,989,519	97,933	(382,564)	13,704,888
Short term	2,237,372	-	-	2,237,372
Supranational	299,420	-	(3,852)	295,568
Tax-exempt municipal	214,963	4,846	-	219,809
Treasury	214,215,646	562,955	(260,632)	214,517,969
	$ 691,262,433	$ 1,006,716	$ (4,255,646)	$ 688,013,503

Note 3: Investments (continued)

As of December 31, 2019 and December 31, 2018, respectively, the cost or amortized cost and fair market value of bonds, for each Domestic Estate in Liquidation are as follows (Estates with no bonds are excluded):

	December 31, 2019			
Domestic Estates in Liquidation	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Market Value**
AMIC	$ 77,836,693	$ 806,171	$ (14,770)	$ 78,628,094
AMLI	1,135,944	641	(16)	1,136,569
Atlantis Health	2,560,266	11,680	-	2,571,946
Centennial	39,047,939	516,429	(3,695)	39,560,673
Cuatro,	4,348,743	3,079	(83)	4,351,739
Eveready	317,852	7,216	-	325,068
Fiduciary	33,769,703	136,000	(7,221)	33,898,482
First Central	1,993,506	795	-	1,994,301
Frontier	32,813,963	127,364	(8,439)	32,932,888
Group Council	1,498,581	228	(190)	1,498,619
HRINY	39,176,431	1,466,616	(2,372)	40,640,675
Ideal	49,967,209	62,464	(64)	50,029,609
Inscorp	14,210,483	22,512	(2,607)	14,230,388
Midland	372,347,641	2,300,647	(77,640)	374,570,648
PLICA	14,414,541	18,799	(4,374)	14,428,966
Touchstone	5,808,803	3,833	(147)	5,812,489
Union	22,272,449	65,091	(4,298)	22,333,242
Total	$ 713,520,747	$ 5,549,565	$ (125,916)	$ 718,944,396

	December 31, 2018			
Domestic Estates in Liquidation	**Cost or Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Market Value**
AMIC	$ 76,547,423	$ 104,500	$ (638,859)	$ 76,013,064
AMLI	840,360	257	-	840,617
Centennial	38,877,026	73,213	(368,847)	38,581,392
Cuatro	2,500,860	3,193	-	2,504,053
Eveready	316,955	374	(273)	317,056
Fiduciary	34,691,421	20,898	(511,365)	34,200,9545
Frontier	31,972,646	17,447	(59,795)	31,930,298
Group Council	1,496,792	-	(660)	1,496,132
HRINY	36,605,842	308,889	(146,456)	36,768,275
Ideal	47,608,319	28,112	(90,446)	47,545,985
Inscorp	13,731,427	83	(95,796)	13,635,714
Midland	362,824,218	439,144	(2,201,586)	361,061,776
PLICA	15,284,309	183	(48,902)	15,235,590
Touchstone	6,214,458	541	(4,515)	6,210,484
Union	21,750,377	9,882	(88,146)	21,672,113
Total	$ 691,262,433	$ 1,006,716	$ (4,255,646)	$ 688,013,503

Note 3: Investments (continued)

The NYLB's bonds in a continuous unrealized loss position are as follows:

December 31, 2019

	Less than 12 Months		Greater than 12 Months		Total	
	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses
Bonds	$ 32,037,870	$ (15,328)	$ 37,126,185	$ (110,588)	$ 69,164,055	$ (125,916)
Total	$ 32,037,870	$ (15,328)	$ 37,126,185	$ (110,588)	$ 69,164,055	$ (125,916)

December 31, 2018

	Less than 12 Months		Greater than 12 Months		Total	
	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses
Bonds	$ 233,283,574	$ (958,254)	$ 244,115,943	$ (3,297,392)	$ 477,399,517	$ (4,255,646)
Total	$ 233,283,574	$ (958,254)	$ 244,115,943	$ (3,297,392)	$ 477,399,517	$ (4,255,646)

The NYLB's portfolio of bonds is sensitive to interest rate fluctuations which affect the fair market value of individual securities. Management has the intent and ability to hold the securities until recovery and/or maturity. Management does not consider the unrealized losses on the NYLB's portfolio of short-term investments and bonds as other-than-temporary impairments as of December 31, 2019 and 2018.

The amortized cost and fair market value of bonds held to maturity at December 31, 2019, are shown below by the date of contractual maturity. Actual maturity dates may differ from contractual maturity dates because borrowers may have the right to call or prepay obligations.

	2019	
Combined Estates in Liquidation	**Fair Market Value**	**Amortized Cost**
Due within one year	$ 379,740,412	$ 378,835,587
Due after one year and before five years	324,490,543	320,824,754
Due after five years and before ten years	14,713,441	13,860,406
Total Combined Domestic Estates	$ 718,944,396	$ 713,520,747

Note 3: Investments (continued)

Proceeds received from sales and maturities of bonds and net gains (losses) at December 31, 2019 and 2018 are as follows:

	Proceeds Received		Net gains (losses) on Called or Sold	
	2019	2018	2019	2018
AMIC	$ 55,056,080	$ 13,837,440	$ 2,678	$ (10,985)
AMLI	1,425,000	850,000	-	-
Atlantis	2,435,000	-	-	-
Centennial	23,967,530	4,263,455	1,231	(2,147)
Cuatro	199,335	-	614	-
Fiduciary	4,060,029	5,541,764	8,045	(18,831)
First Central	1,995,000	-	-	-
Frontier	30,888,426	21,705,904	526	1,577
Group Council	3,054,698	1,490,000	27	-
HRINY	1,750,849	32,962,492	39,245	(3,476)
Ideal	123,548,517	42,168,939	86,051	(5,462)
Inscorp	17,838,162	14,386,424	(180)	(30,641)
Midland	111,995,081	189,504,682	20,258	(17,538)
PLICA	22,558,594	9,015,033	(767)	(438)
Touchstone	6,321,242	700,000	684	-
Union	23,369,487	14,683,742	1,326	1,225
TOTALS	$ 430,463,030	$ 351,109,875	$ 159,738	$ (86,716)

Mortgage-Backed Securities

In 2019 and 2018, Management identified 146 and 108 mortgage-backed securities, respectively, with amortized costs of approximately $92,532,185 and $79,263,785, respectively. The mortgage-backed securities were carried at a fair market value of $93,100,013 in 2019 and $78,628,282 in 2018.

After reviewing these securities, Management has determined that, based on the information currently available to it, at December 31, 2019, there were no mortgage-backed securities with indirect subprime exposure.

Note 4: Fair Value Measurement

Included in various investment related line items are certain financial instruments carried at fair market value. The fair market value of an asset is the amount at which that instrument could be bought or sold in a current transaction between willing parties other than in a forced or liquidation sale.

Note 4: Fair Value Measurement (continued)

When available, the Combined Domestic Estates in Liquidation uses quoted market prices to determine the fair market values of aforementioned instruments. When quoted market prices are not readily available or representative of fair market value, pricing determinations are made based on the results of valuation models using observable market data such as recently reported trades, bid and offer information and benchmark securities. Unobservable inputs reflect Management's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement* ("Topic 820"), establishes a three-level fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. The three-level hierarchy for fair value measurement is as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect Management's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

In certain cases, the inputs used to measure fair market value may fall into different levels of fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Topic 820 also requires disclosures of any significant transfers in and out of Level 1 and Level 2 fair value measurements and a description of the reasons for the transfers; a reconciliation for fair value measurements using significant unobservable inputs (Level 3) with separate disclosure of purchases, sales, issuances, and settlements; and disclosure of the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements.

Note 4: Fair Value Measurement (continued)

The following table summarizes the invested assets carried at fair value or where fair value is disclosed using the fair value level hierarchy above as of December 31, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
As of December 31, 2019:				
Unrestricted Assets:				
U.S. Government	$ -	$ 273,136,057	$ -	$ 273,136,057
U.S. Government Agencies	-	38,930,077	-	38,930,077
Mortgage Backed Securities	-	93,100,013	-	93,100,013
Corporate Bonds	-	313,778,249	-	313,778,249
Restricted Assets:				
U.S. Government	-	146,042	-	146,042
Total	$ -	$ 719,090,438	$ -	$ 719,090,438

The following table summarizes the invested assets carried at fair value or where fair value is disclosed using the fair value level hierarchy above as of December 31, 2018:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
As of December 31, 2018:				
Unrestricted Assets:				
U.S. Government	$ -	$ 214,517,969	$ -	$ 214,517,969
U.S. Government Agencies	-	63,947,357	-	63,947,357
Mortgage Backed Securities	-	78,628,292	-	78,628,292
Corporate Bonds	-	330,919,885	-	330,919,885
Investment in Subsidiaries	-	-	388,865	388,865
Total	$ -	$ 688,013,503	$ 388,865	$ 688,402,368

Note 4: Fair Value Measurement (continued)

Management used the following methods and assumptions in estimating the fair market value of financial instruments of the Combined Domestic Estates Financial Statements and notes thereto:

Fixed maturities: Fair values for investment securities are based on market prices quoted by third parties, if available. When market quotes are unavailable, Management's best estimate of fair market value is based on quoted market prices of financial instruments with similar characteristics, or on industry recognized valuation techniques. The Combined Domestic Estates investment securities are primarily valued using market inputs, including benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data. In addition, market indicators, industry and economic events are monitored and further market data is acquired if certain triggers are met. For certain security types, additional inputs may be used, or some of the inputs described above may not be applicable.

For broker-quoted only securities, quotes from market makers or broker-dealers are obtained from sources recognized to be market participants.

Common Stock Affiliates: The estimated fair value for the common stock affiliates is based on underlying U.S. GAAP equity.

Real Estate and Buildings: The estimated fair value for real Estate and buildings is determined based on independent appraisals or purchase commitments.

Securities classified as Level 1 included primarily corporate bonds and common stocks. Unadjusted quoted prices for these securities are provided to the Domestic Estates in Liquidation by independent pricing services. There were no securities classified as Level 1 at 2019 and 2018.

Securities classified as Level 2 include primarily short-term investments, bonds, statutory deposits in New York or other states and other restricted assets. Quoted prices for these securities are provided to the Domestic Estates in Liquidation by independent pricing services.

Securities classified in 2018 as Level 3 include primarily investments in subsidiaries carried at underlying U.S. GAAP equity.

Note 4: Fair Value Measurement (continued)

The following table summarizes changes to invested assets carried at fair market value and classified within Level 3 of the fair value hierarchy.

	Beginning Balance January 1, 2019	Transfers at time of Liquidation	Realized gains/ (losses)	Unrealized gains/(losses)	Issuances	Transfer to Non-New York Liquidator	Sales, Maturities, Settlements	Transfer In or Out of Level 3	Ending Balance December 31, 2019
Assets:									
Real Estate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Buildings	-	-	-	-	-	-	-	-	-
Common stocks	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	388,865	-	(42,000)	-	-	(346,865)	-	-	-
	$ 388,865	$ -	$ (42,000)	$ -	$ -	$ (346,865)	$ -	$ -	$ -

There were no significant transfers into or transfers out of Level 1 or 2. There were no changes in valuation techniques during 2019 and 2018.

Note 5: Reinsurance

Prior to their liquidations, most Domestic Estates in Liquidation wrote insurance coverage on a direct basis (and assumed reinsurance, if applicable). Many of these policies and assumed reinsurance contracts were reinsured with other insurance or reinsurance companies in the ordinary course of business.

Reinsurance recoverables are based on treaty and facultative contracts providing pro-rata, excess of loss and catastrophic coverage. The NYLB seeks recovery from reinsurers for incurred losses that have been allowed by the Receivership Court and also seeks to commute outstanding reserves for unpaid losses.

The existence of a reinsurance contract covering a loss does not relieve the individual Estate of its obligation to the policyholders. The Estate continues to carry the liability for the loss on its financial statements. At the same time, the Estate carries the reinsurance recoverable for such a loss as an asset on its financial statements.

The NYLB establishes allowances for uncollectible reinsurance based on several factors, such as a reinsurer's payment history, aging of recoverables and solvency status of the reinsurance company. The NYLB in accordance with section 7427 of the New York Insurance Law allows mutual debts or mutual credits between insurer and reinsurer to be set off and the balance only shall be paid or allowed. Such set offs include ceded balances payable, assumed balances payable, funds withheld and letters of credit held on behalf of a reinsurer.

The method to establish the allowance for uncollectable reinsurance was changed in 2019 and compared to 2018. In 2019, the allowance was calculated on a specific reinsurer by reinsurer basis as opposed to 2018 in which the allowance was established by developing the percentage of reinsurance collected during the year to the total reinsurance recoverable and then applying that percentage to the balance of the reinsurance recoverable on paid losses and the reinsurance recoverable on outstanding losses.

Note 6: HRINY Start-Up and Solvency Loans

The Affordable Care Act ("ACA") provided for federal loans to CO-OPs, such as HRINY, for start-up costs (to be repaid within five years) and to ensure solvency in accordance with state law (repayable in 15 years). In total, HRINY was awarded $265.1 million.

Note 6: HRINY Start-Up and Solvency Loans (continued)

On February 17, 2012, CMS awarded HRINY $23.6 million in start-up funds to be used for costs associated with setting up a health insurance company. Under HRINY's loan agreement with CMS, HRINY submitted a business plan that included milestones to be met for corresponding drawdowns of loan funds, which were disbursed in quarterly installments throughout 2012 and continuing until 2015. Repayment of the loan, which was carried at 0% interest, was due within five (5) years from the date of disbursement. As of December 31, 2019, HRINY had received $23,600,400 in disbursements from CMS under this start-up loan. As a result of the liquidation, none of the following originally scheduled repayments have been made:

Year ending December 31,	Amount
2017	$ 10,338,700
2018	12,591,900
2019	183,200
2020	486,600
	$ 23,600,400

On February 17, 2012, the HRINY entered into a loan agreement with CMS to provide a solvency loan of up to $150,678,000 to provide statutory capital required to operate an insurance company in New York. On September 26, 2014, CMS approved an additional $90,688,000 to the total available solvency funding. With the additional $90,688,000, the total solvency funding amount was $241,366,000. The repayment schedule of the solvency loan is as follows:

Year Ending December 31,	Amount of Loan
2021	$ 6,050,242
2022	16,571,446
2023	30,170,750
2024	30,170,750
2025-2030	158,402,812
	$ 241,366,000

The solvency loan amortization period begins 8 years after each disbursement period and ends 15 years thereafter. During that 8-year period, 8 equal, annual payments that include principal and interest are due each year based on the remaining unpaid principal balance.

Note 6: HRINY Start-Up and Solvency Loans (continued)

The solvency loan had an interest rate of 0.37%. Prior to 2019, principal and interest are deferred. During 2019 through 2020, interest only payments are due. During 2021, through 2033, principal and interest payments are due. Currently, the scheduled payments are not being made. In a letter dated May 4, 2017, CMS called the entire CO-OP loan debt due as a present debt, rather than debt payable per the repayment schedules.

The start-up and solvency loans are classified by the Liquidator as Class Eight based on the terms of the loan agreements.

Note 7: HRINY Risk Sharing Provisions of the Affordable Care Act

As of January 1, 2014, the ACA created three interconnected risk management Programs intended to protect consumers by stabilizing premiums during the initial years of the law's implementation. Two of these Programs (Reinsurance and Risk Corridors) were temporary and the third Program (Risk Adjustment) was designed to protect against adverse selection in the reformed marketplace. Together, these three Programs commonly referred to as the 3Rs were intended to protect against the negative effects of adverse selection and risk selection, and also work to stabilize premiums. Each Program varies by the types of plans that participate, the level of government responsible for oversight, the criteria for charges and payments, the sources of funds, and the duration of the Program. The characteristics of each Program as it relates to HRINY are discussed below.

Amounts Recoverable from Federal Reinsurance (Reinsurance)

The temporary Federal Reinsurance Program was in effect from 2014 through 2016 and was designed to help health plans meet the needs of high-cost enrollees while making individual market premiums more affordable.

As of December 31, 2019, HRINY had amounts recoverable under the reinsurance Program for the 2015 benefit year in the amount of $51,736,709 ("2015 Reinsurance Recoverable"). CMS has purported to set off the 2015 Reinsurance Recoverable against HRINY's liability under the Risk Adjustment Program.

Management is continuing its efforts to challenge the set-off, but has established a non-collectability reserve in the amount of $51,736,709. The reserve is reviewed and adjusted as reasonable and appropriate.

As of December 31, 2019, HRINY also had a recoverable under the Reinsurance Program for the 2014 benefit year in the amount of $58,217,807 ("2014 Reinsurance Recoverable"). CMS has similarly purported to set off the 2014 Reinsurance.

Note 7: HRINY Risk Sharing Provisions of the Affordable Care Act (continued)

Amounts Recoverable from Federal Reinsurance (Reinsurance) (continued)

Recoverable against HRINY's risk adjustment liability. Because of the purported CMS setoff, HRINY's pre-liquidation management did not record the 2014 Reinsurance Recoverable as an asset on its financial statements. Management is challenging the setoff and is continuing its efforts to recover the 2014 Reinsurance Recoverable. However, for purposes of this financial statement, we have continued management's prior practice of not stating the 2014 Reinsurance Recoverable as an asset.

Accrued Retrospective Premiums Receivable (Risk Corridors)

The ACA's temporary Risk Corridors Program was intended to discourage insurers from setting premiums high in response to uncertainty about who would enroll and what they will cost. The Program limited volatility in the individual and small group markets by mitigating extreme gains and losses for qualified health plans ("QHPs") or plans qualified to participate in the exchanges.

For each year of the Risk Corridor Program, QHPs and the federal government shared in the risk associated with the uncertainty of the new marketplace. If the amount QHP collected in premiums exceeded its medical expenses by a certain amount, the plan paid into the Risk Corridor Program. Conversely, if premiums fell short of this target, the Risk Corridor Program transferred a portion of this shortfall to QHP. The Risk Corridors Program are accounted for as premium adjustments for retrospectively rated contracts and totaled $445,134,282 as of December 31, 2019 and 2018. The $445,134,282 is comprised of the balance not paid on the 2014 benefit year in the amount of $131,093,843 and the 2015 benefit year in the amount of $314,040,439. In preparing the modified cash basis financial statements, Management makes estimates of amounts recoverable under the Accrued Retrospective Premiums Receivable Program. Although Management is continuing its efforts to maximize collections of the retrospective premiums receivable, a reserve has been established in the amount of $445,134,282. The reserve is reviewed and adjusted as necessary and appropriate.

Risk Adjustment Payable

The Risk Adjustment Program was designed to protect against the risk of less healthy members of the public adversely certain QHP's and disproportionately affecting their loss experience. The Risk Adjustment Program accomplishes this by requiring plans with lower-risk enrollees to make payments to plans with higher-risk enrollees to offset costs. All non-grandfathered plans in the individual and small group market participated in the Risk Adjustment Program, whether or not they participated on the exchange. Premium adjustments pursuant to the Risk Adjustment Program are accounted for as premium subject to redetermination and user fees are accounted for as assessments. HRINY's risk adjustment payable balance of $191,338,780 is unchanged from prior year and is included in Class Three – Federal Government Claims.

Note 7: <u>HRINY Risk Sharing Provisions of the Affordable Care Act</u> (continued)

<u>Risk Adjustment Payable</u> (continued)

The following table presents the impact of risk-sharing provisions of the ACA on HRINY's assets, liabilities and revenue as of December 31, 2019 and 2018:

a. Permanent ACA Risk Adjustment Program Assets

1. Premium adjustments receivable due to ACA risk adjustment Liabilities	$	-
2. Risk adjustment user fees payable for ACA risk adjustment Liabilities	$	-
3. Premium adjustments payable due to ACA risk adjustment Operations (revenue and expenses)	$	191,338,780
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA risk adjustment	$	-
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	$	-

b. Transitional ACA Reinsurance Program Assets:

1. Amounts recoverable for claims paid due to ACA reinsurance	$	51,736,709
2. Amounts recoverable for claims unpaid due to ACA insurance (contra-liability)	$	-
3. Amounts receivable relating to uninsured plans for contributions for ACA reinsurance	$	-
Liabilities		
4. Liabilities for contributions payable due to ACA reinsurance – not reported as ceded premium	$	-
5. Ceded reinsurance premiums payable due to ACA reinsurance	$	-
6. Liability for amounts held under uninsured plan contributions for ACA reinsurance	$	-
Operations (revenue and expense)		
7. Ceded reinsurance premiums due to ACA reinsurance	$	-
8. Reinsurance recoveries (income statement) due to ACA reinsurance payments or expected payments	$	-
9. ACA reinsurance contributions – not reported as ceded premium	$	-

c. Temporary ACA Risk Corridors Program Assets:

1. Accrued retrospective premium due to ACA risk corridors	$	445,134,282
Liabilities		
2. Reserve for the credits or policy experience rating refunds due to ACA risk corridors	$	-
Operations (revenue and expense)		
3. Effect of ACA risk corridors on net premium income (paid/received)	$	-
4. Effect of ACA risk corridors on change in reserves for rate credit	$	-

Note 8: HRINY Claims Unpaid and Claims Adjustment Expenses Unpaid

The following table discloses the change in Class II HRINY claims unpaid, net of reinsurance, for the period ended December 31, 2019:

Claims unpaid, as of December 31, 2018	$	217,950,494
Incurred claims – current period		5,743
Paid claims – current period		-
Claims unpaid, as of December 31, 2019	$	217,956,237

There were no changes in claims adjustment expenses unpaid, net of reinsurance, for the year ended December 31, 2019.

Note 9: Related-Party Transactions

For the years ended December 31, 2019 and 2018, NYLB personnel performed certain administrative and investment functions, such as accounting, data processing, human resources and treasury management, for the Combined Domestic Estates in Liquidation.

The Combined Domestic Estates in Liquidation paid or accrued expenses for such functions pursuant to the NYLB's policy of charging the intercompany accounts of each respective Domestic Estate in Liquidation for expenses paid by the NYLB on behalf of such Estate.

As of December 31, 2019 and 2018, the amounts remaining due to the NYLB are approximately $2.0 million and $1.3 million, respectively, and are included in Class One - Administrative Claims. During 2019 and 2018, the Combined Domestic Estates in Liquidation paid approximately $14.1 million and $16.7 million, respectively, of allocated expenses, detailed as follows:

		2019		2018
Salaries	$	5,570,694	$	6,249,452
Employee Relations & Welfare		4,274,413		3,674,359
Rent and Related Expenses		1,335,324		2,865,434
Professional Fees		2,252,415		2,555,734
General and Administrative		682,740		1,351,982
	$	14,115,586	$	16,696,961

Note 10: Expense Reimbursement

The NYLB manages the CDA which is a pooled cash account funded solely by cash advances from the Estates and/or Security Funds. Any excess funds in the CDA may be invested in overnight investment options, and Liquidity Direct, a facility that allows for the purchase of various U.S. Government related money market funds. The NYLB uses the money in the CDA to pay administrative expenses such as employee relations and welfare, payroll, rent and related expenses, and office expenses. Such administrative expenses are allocated on a monthly basis among the Domestic Estates in Liquidation, Security Funds, ancillary Estates, and fraternal associations.

Note 11: Asbestos and Environmental Reserves

A Major Policyholder is an insured with a substantial exposure to long-tail industry-wide tort claims such as Asbestos, Environmental and Product Liability claims. Three Estates, Midland, AMIC and Centennial, have exposure to Asbestos and Environmental claims. In establishing the liability for unpaid claims and claim adjustment expenses related to Asbestos, Environmental and Product claims on these Estates, Management considers facts currently known and the current state of the law and coverage litigation. Liabilities are recognized for known claims (including the cost of related litigation) when sufficient information has been developed to indicate the involvement of a specific insurance policy and Management can reasonably estimate the Estate's liability. Estimates of liabilities are updated as needed based on case law, and claim experience.

Management anticipates that, as more detailed information and documentation are received and reviewed regarding the claims in the Midland, AMIC and Centennial Estates, these reserves will be adjusted as needed.

Note 11: Asbestos and Environmental Reserves (continued)

As of December 31, 2019 and 2018, the reserves for Midland, AMIC, Centennial and the corresponding reinsurance, if any, are as follows and reported as a Class Two – Non-Allowed Liability:

	2019	2018
Midland		
Gross Reserves		
Asbestos	$ 34,500,081	$ 15,000,153
Environmental	-	1,500,234
Products	-	198
Total Gross Reserves	34,500,081	16,500,585
Less Ceded Reserves	(15,773,077)	(13,180,149)
Net Reserves	$ 18,727,004	$ 3,320,436

	2019	2018
AMIC		
Gross Reserves		
Asbestos	$ 1,178,401	$ 1,178,401
Environmental	-	-
Product	-	-
Total Gross Reserves	1,178,401	1,178,401
Less Ceded Reserves	-	-
Net Reserves	$ 1,178,401	$ 1,178,401

	2019	2018
Centennial		
Gross Reserves		
Asbestos	$ -	$ 175
Environmental	-	81
Product	45	45
Total Gross Reserves	45	301
Less Ceded Reserves	-	-
Net Reserves	$ 45	$ 301

The Midland gross reserve increase in 2019 is due to the potential settlement of Asbestos claims. The increase in ceded reinsurance reserves for Midland is due to the increase in outstanding reserves cessions resulting from the reserve increase on the potential settlement of Asbestos claims. The changes in Asbestos, Environmental and Product reserves are reported in Class Two – Claims and Related Costs Non-Allowed.

Note 12: Taxes

The Combined Domestic Estates in Liquidation are subject to federal income tax, but generally these Estates do not generate taxable income or tax liability due to offsets available from net operating loss ("NOL") carry forwards.

The Combined Domestic Estates in Liquidation are subject to New York State franchise tax and Metropolitan Transit Authority local tax. Each Domestic Estate in Liquidation's tax is generally calculated at the minimum because the Estates are in liquidation and do not generate taxable income.

At December 31, 2019, certain Domestic Estates in Liquidation had unused NOL carry-forwards available to offset against future taxable income as follows:

Estate	Year NOL Carry-forward Begins Expiring	NOL Carry-forward @ 12/31/18	New Estate Carryover	Expired NOL and final return	Taxable Income (Loss) for 2019	Section Reduction of (NOL) Form 982	NOL Carry-forward @ 12/31/2019
AMLI	2029	$ (14,786,516)	$ -	$ -	$ (80,734)	$ 1,990,029	$ (12,877,221)
AMIC	2025	(646,118,506)	-	-	(5,631,162)	-	(651,749,668)
Atlantis					(615,240)		(615,240)
Centennial	2020	(315,670,932)	-	-	- (509,423)	12,373,607	(303,806,748)
Cuatro, LLC	2031	(30,664,194)	-	-	(1,399,921)	-	(32,064,115)
Eveready	2034	(34,948,412)	-	-	(40,787)	894,927	(34,04,272)
Fiduciary	2034	(306,401,630)	-	-	(3,054,439)	-	(309,456,069)
First Central	2018	(135,821,376)	-	42,113,478	(673,113)	-	(94,381,011)
Frontier	2033	(92,828,353)	-	-	31,109	16,754,229	(76,043,015)
Group Council	2024	(343,520,826)	-	-	(710,208)	-	(344,231,094)
Ideal	2018	(433,649,092)	-	67,644,206	(382,837)	14,000,436	(352,387,287)
INSCORP	2024	(129,055,674)	-	-	(780,208)	4,238,726	(125,597,156)
Midland	2024	(1,122,909,440)	-	-	6,084,116	56,506,112	(1,060,319,212)
PLICA	2034	(10,650,359)	-	-	(135,646)	-	(10,786,005)
Touchstone	2027	(61,985,166)	-	-	(796,803)	-	(62,781,969)
Union	2018	(518,630,571)	-	49,908,205	212,635	98,394	(468,411,337
Totals		$ (4,197,641,047)	$ -	$ 159,665,889	$ (8,482,721)	$ 106,856,460	$(3,939,601,419)
Valuation Allowance		$ 4,197,641,047	$ -	$(159,665,889)	$ 8,482,721	$(106,856,460)	$ 3,939,601,419
Operating Loss Carry Forward, Net of Valuation Allowance		$ -	$ -	$ -	$ -	$ -	$ -

As of December 31, 2019, the Combined Domestic Estates in Liquidation have accumulated NOLs of approximately $3.9 billion. Because the Estates are in liquidation, it is uncertain whether these NOLs will be utilized.

Note 12: Taxes (continued)

CO-OPs qualify for federal tax exemption under Section 501(c)(29) of the Internal Revenue Code ("IRC") provided the co-ops comply with the requirements in the ACA and the IRC and with the terms of any CO-OP loan agreement. HRINY applied for recognition of 501(c)(29) status and received such status in a determination letter from the IRS dated March 15, 2013. HRINY qualifies for federal tax exemption and files IRS Form 990.

Note 13: Employers' Accounting for Defined Benefit Pension and Other Post-Employment Benefit Plans ("OPEB")

The New York State Health Insurance Program ("NYSHIP") offers a post-employment health insurance benefit to eligible retired employees. The NYLB participates in this program and eligible NYLB employees receive post-employment benefits through participating NYSHIP health insurance providers. Benefits include coverage secondary to Medicare and prescription drug benefits. Premiums are paid monthly by both the NYLB and the retired employees. In order to be eligible for the post-employment benefit, retirees must have fulfilled service requirements with participating employers as specified in the NYLB's employee handbook.

As of December 31, 2019 and 2018, the Domestic Estates have accrued liabilities for post-employment benefit plans of approximately $48.6 million and $48.9 million. This liability is allocated among the Domestic Estates based on allocated salary attributable to each Estate.

Prior to 2018, the NYLB classified the total allocated OPEB liability for each estate as a Class One Administrative claim with the expectation that this total amount would be funded by the Estate at its closing and set aside by the NYLB for the payment of future OPEB liabilities. The Class One OPEB claim for each estate was the projected amount the estate would pay assuming it were to remain open indefinitely.

In 2018, the NYLB determined that it would classify OPEB liabilities as a Class One claim only with regard to the amount that the Estate was projected to pay on a pay-as-you-go basis prior to its closing. The balance of the OPEB liability is presented below the Total Combined Liabilities line on the accompanying balance sheet. This amount represents the portion of allocated OPEB liability that is expected to be paid after the close of the Estate. Upon closure of the Estate, this portion of the Estate's OPEB liability remains unfunded and is removed from the Estate's balance sheet. The unpaid amount will be calculated and reallocated among the remaining Estates at that time.

Note 13: Employers' Accounting for Defined Benefit Pension and Other Post-Employment Benefit Plans ("OPEB") (continued)

The NYLB's apportionment of OPEB liabilities as Class One and Other Post-Employment Benefit liabilities is based upon the best understanding of the projected lifespan of the Estate as of the date of the presented financial statements. Individual Estates may remain open for a period that is significantly shorter or longer than projected.

In 2019 and 2018, the OPEB liability in Class One totaled $6,202,633 and $6,973,214, respectively. The OPEB liabilities which are included as a separate line item, "Other Post-Employment Benefits", totaled $42,448,376 in 2019 and $42,013,348 in 2018.

An independent actuarial firm conducted a valuation of the OPEB liability for the years ended December 31, 2019 and 2018, and reported its conclusions in reports dated February, 2020 and February, 2019, respectively (collectively, "Actuarial Reports"). Pursuant to the Actuarial Reports, discount rates of 3.00% and 4.25% were used for Benefit Obligations in 2019 and 2018, respectively and 4.25% and 3.50% used for Net Benefit Cost in 2019 and 2018, respectively.

The OPEB liability which is included in liabilities on the Combined Statements of Assets, Liabilities, and Deficit of Assets over Liabilities – Modified Cash Basis is as follows:

	2019		2018
OPEB (Initial Accrual) as of January 1, 2019:	$ 43,855,185	OPEB (Initial Accrual) as of January 1, 2018:	$ 63,639,434
OPEB as of December 31, 2019:	$ 48,651,008	OPEB as of December 31, 2018:	$ 49,263,506
Net Periodic Benefit Cos for the fiscal year 2019:	$ 632,540	Net Periodic Benefit Cost for the fiscal year 2018:	$ 1,611,217

Note 13: Employers' Accounting for Defined Benefit Pension and Other Post-Employment Benefits "OPEB") (continued)

The following presentation was extracted from the Actuarial Reports for the years ended December 31, 2019 and 2018:

	Post-Employment Benefits	
Reconciliation of benefit obligation	**2019**	**2018**
Obligation at beginning of year	$ 43,855,185	$ 63,639,434
Service cost including expenses	499,376	767,099
Interest cost	1,819,523	1,868,683
Actuarial loss / (gain)	4,487,829	(14,816,332)
Benefit payments and expected expenses	(2,010,905)	(2,195,378)
Obligation at end of year	$ 48,651,008	$ 49,263,506
Reconciliation of fair value of plan assets		
Fair value of plan assets at beginning of year	$ -	$ -
Employer contributions	2,010,905	2,195,378
Benefit payments and actual expenses	(2,010,905)	(2,195,378)
Fair value of plan assets at end of year	-	-
Unfunded status at end of year	$ 48,651,008	$ 49,263,506

The effect of a 1% increase in the assumed health care cost trend rates for each future year on the OPEB obligation for health care benefits and the aggregate of the service and interest cost components of net periodic post-employment healthcare benefit cost is shown below:

	Post-Employment Benefits	
	Accumulated Post-Employment Benefit Obligation	**Service Cost Plus Interest Cost**
At Trend	48,651,008	2,318,899
At trend + 1%	56,787,416	2,722,470
Dollar Impact	8,136,408	403,570
Percentage Impact	16.72%	17.40%
At Trend – 1%	42,112,900	1,966,794
Dollar Impact	(6,538,108)	(322,105)
Percentage Impact	(15.53%)	(16.13%)

Note 13: Employers' Accounting for Defined Benefit Pension and Other Post-Employment Benefits "OPEB") (continued)

Amounts recognized in unrestricted net assets consist of:

	Post-Employment Benefits 2019	Post-Employment Benefits 2018
Transition asset/obligations	$ -	$ -
Prior service credit/cost	-	-
Gain	8,714,202	16,724,460
	$ 8,714,202	$ 16,724,460

Cash Flows

Expected Future OPEB Payments

The following OPEB payments, which reflect expected future service, are expected to be paid:

Fiscal Year Ending:	OPEB Payment
2020	$ 3,491,474
2021	$ 3,726,777
2022	$ 3,932,434
2023	$ 4,095,483
2024	$ 4,275,879
Years 2025-2029	$ 22,637,948

Employee Retirement Plans

New York State and Local Employees' Retirement System – Defined Benefit Plan

The New York State and Local Employees' Retirement System ("Retirement System") offers a variety of plans and benefits and provides retirement benefits based on years of service and the average of an employee's highest three years' salary. Other benefits include: vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. All NYLB employees must participate in the Retirement System. However, all NYLB employees hired *before* January 1, 2010 are required to contribute three percent of their salary annually until the employee achieves 10 years of membership. All NYLB employee hired between January 1, 2010 and April 1, 2012 are required to pay three percent of their annual salary until separation from service or retirement. All NYLB employees hired *after* April 1, 2012, are required to contribute three percent to six percent depending on their annual salary until separation from service or retirement. Active employees make contributions to the plan, as well as payments made by the NYLB based on an annual invoice which is calculated from the total salaries that were paid to NYLB employees as of the close of the previous New York State fiscal year.

Note 13: Employers' Accounting for Defined Benefit Pension and Other Post-Employment Benefit ("OPEB") (continued)

New York State Deferred Compensation Plan – 457b

This is a voluntary retirement savings Program funded entirely by employee contributions. Employees are eligible to contribute to this Program as of their first day of employment with the NYLB. Through payroll deduction, participants may contribute from 1% to 25% of salary up to the specified annual maximum. Contributions are pre-tax for federal, state and local income tax purposes.

Note 14: Legal Matters, Commitments and Contingencies

After inquiry and review of the records of each Domestic Estate in Liquidation, Management, based on the information currently available to it, is unaware of any pending or threatened litigation or unasserted claim that Management reasonably believes will have a material adverse effect on the financial condition or the results of operations of the Combined Domestic Estates in Liquidation.

Management, in furtherance of the Receiver's statutory obligations, continuously endeavors to: (i) recover the assets of Domestic Estates in Liquidation; and (ii) wind up the business affairs of Domestic Estates in Liquidation including, without limitation, the litigation of policyholder and reinsurance claims.

Note 15: Litigation Against Federal Government

HRINY was a not-for-profit CO-OP under the ACA and participated in several premium stabilization and financial assistance programs maintained by the United States government (the "Federal Government") as part of the ACA. In the 2014 and 2105 benefit years, prior to its liquidation, HRINY participated in the ACA's Risk Corridors, Reinsurance, Risk Adjustment, Advanced Premium Tax Credit and Cost-Sharing Reduction programs ("ACA Programs"). The Liquidator's review of HRINY's records shows that the Federal Government failed to pay balances owed to HRINY under the ACA Programs.

On September 1, 2017, the Liquidator, through counsel, filed a complaint against the Federal Government in the United States Court of Federal Claims ("Court of Claims") under case number 17-1185C, seeking to recover over $575 million owed to HRINY under the ACA Programs. The matter was stayed by the Court of Claims in October 2017, pending appeal of two other cases (Land of Lincoln Mutual Health Insurance Company v. United States and Moda Health Plan, Inc. v. United States), which had been recently decided in the Court of Claims and presented substantially similar issues involving the Risk Corridors Program.

Note 15: Litigation Against Federal Government (continued)

The appeals were heard together in the United States Court of Appeals for the Federal Circuit and decided against the insurers. A petition for a *writ of certiorari* to the United State Supreme Court was subsequently granted on June 24, 2019, and oral argument was heard on December 10, 2019. On April 27, 2020, the Supreme Court issued a decision in favor of the insurers, holding that all amounts due under the ACA risk corridors program must be paid. On June 26, 2020, the Court of Claims continued the stay of proceeding and directed the parties to file a status report by August 24, 2020, informing the Court of the progress toward a settlement or proposing a schedule for further proceedings.

Note 16: Other Uncertainties

The extent of the impact of the coronavirus ("COVID-19") outbreak on the financial performance of NYLB's investments will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, NYLB's investment results may be materially adversely affected.

Note 17: Subsequent Events

Subsequent events have been reviewed through July 30, 2020, the date which these audited Combined Domestic Estates Financial Statements were available to be issued. Management is aware of the following subsequent events that may have a material impact on the financial condition or results of operations of the Combined Domestic Estates in Liquidation.

Reinsurance Collected

The amount of reinsurance collected for each Domestic Estate in Liquidation subsequent to December 31, 2019, is listed in the table below. This table represents all cash collected relating to reinsurance recoverable balances open at December 31, 2019, and billed and subsequently received in 2020.

Note 17: Subsequent Events (continued)

Domestic Estate in Liquidation	Collections of Reinsurance Recoverable on Paid Losses and LAE
Midland	$ 778,778
INSCORP	257,094
First Central	165,131
Union	81,145
AMIC	18,374
Total	$ 1,300,522

Distributed Dividends

The following Domestic Estates in Liquidation made dividend distributions subsequent to December 31, 2019:

Midland	$ 5,262,186
Ideal	28,462
INSCORP	8,542
Union	822
Total	$ 5,300,012

New Liquidation

Maidstone Insurance Company, was placed into liquidation by order of the Supreme Court of the State of New York, dated February 14, 2020. Maidstone was incorporated in New York on May 11, 1988 as General Assurance Company ("GAC"). GAC obtained a license to conduct the business of insurance in the State of New York on July 19, 1988 and commenced business on October 1, 1988. GAC changed its name to AutoOne Insurance Company ("AIC") effective January 9, 2004, and AIC changed its name to Maidstone Insurance Company effective December 14, 2015. Maidstone was licensed to conduct business of insurance in the State of New York in accordance with Insurance Law 1113(a) sections (3) through (17), (19) through (21), and (26). Maidstone was licensed to conduct the business of insurance in 23 other states in addition to New York.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Superintendent of Financial Services of the State of New York as Receiver of the Combined Domestic Estates in Liquidation managed by the New York Liquidation Bureau and Management of the New York Liquidation Bureau

We have audited the combined statements of assets, liabilities and deficit of assets over liabilities – modified cash basis of the Combined Domestic Estates in Liquidation managed by the New York Liquidation Bureau as of December 31, 2019 and 2018, and the related combined statements of cash receipts and disbursements and changes in cash, cash equivalents and invested assets (unrestricted) – modified cash basis for each of the years then ended (collectively referred to as "Combined Domestic Estates Financial Statements"), and have issued our report thereon dated July 30, 2020, which expressed an unmodified opinion on those Combined Domestic Estates Financial Statements. Our audits were performed for the purpose of forming an opinion on the Combined Domestic Estates Financial Statements as a whole. The supplementary combining schedules of the Combined Domestic Estates in Liquidation's assets, liabilities and (deficit) surplus of assets over liabilities, - modified cash basis and cash receipts and disbursements and changes in cash, cash equivalents and invested assets (unrestricted) – modified cash basis as of and for the years ended December 31, 2019 and 2018 are presented for purposes of additional analysis and are not a required part of the Combined Domestic Estates Financial Statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Combined Domestic Estates Financial Statements. The information has been subjected to the auditing procedures applied in the audits of the Combined Domestic Estates Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Combined Domestic Estates Financial Statements or to the Combined Domestic Estates Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the Combined Domestic Estates Financial Statements as a whole.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
July 30, 2020

Supplementary Schedules

Appendix A

December 31, 2019 and 2018

The Domestic Estates in Liquidation

Combining Schedules of the Estates' Assets, Liabilities and (Deficit) Surplus of Assets Over Liabilities, and Cash Receipts and Disbursements and Changes in Cash, Cash Equivalents and Invested Assets (Unrestricted) – Modified Cash Basis

Appendix A

THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF ESTATES' ASSETS - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019 AND 2018

Assets

	AMERICAN MEDICAL		ATLANTIC MUTUAL		ATLANTIS HEALTH		CENTENNIAL	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Unrestricted Assets:								
Cash and Cash Equivalents	$ 469,986	$ 846,352	$ 486,274	$ 559,242	$ 314,260	$ -	$ 207,271	$ 532,791
Investments								
Bonds, at fair market value	1,136,569	840,617	78,628,094	76,013,064	2,571,946	-	39,560,673	38,581,391
Total Investments	1,136,569	840,617	78,628,094	76,013,064	2,571,946	-	39,560,673	38,581,391
Total Cash, Cash Equivalents and Investments	1,606,555	1,686,969	79,114,368	76,572,306	2,886,206	-	39,767,944	39,114,182
Other Invested Assets:								
Investment in Subsidiaries	-	-	-	388,865	-	-	-	-
Total Cash, Cash Equivalents, Investments and Other Invested Assets (unrestricted)	1,606,555	1,686,969	79,114,368	76,961,171	2,886,206	-	39,767,944	39,114,182
Reinsurance Recoverables on Paid Losses and LAE	-	-	15,902,159	15,564,147	-	-	6,138,806	6,146,050
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	(12,311,471)	(13,255,498)	-	-	(3,711,105)	(5,279,034)
Net Reinsurance Recoverables on Paid Losses and LAE	-	-	3,590,688	2,308,649	-	-	2,427,701	867,016
Reinsurance Recoverables on Unpaid Losses and LAE	-	-	18,083,942	18,783,231	-	-	18,903,881	15,963,338
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	(9,921,328)	(15,391,394)	-	-	(11,075,410)	(13,233,490)
Net Reinsurance Recoverables on Unpaid Losses and LAE	-	-	8,162,614	3,391,837	-	-	7,828,471	2,729,848
Receivables from Others	-	-	-	613	-	-	-	206
Accrued Investment Income	8,274	4,329	349,291	339,305	11,175	-	147,585	156,164
Other Assets	12,855	19,380	242,098	1,194,676	-	-	112,463	608,310
Receivable from CMS	-	-	-	-	-	-	-	-
Allowance for uncollectible receivable from CMS	-	-	-	-	-	-	-	-
Net Receivable from CMS	-	-	-	-	-	-	-	-
Total Unrestricted Assets	1,627,684	1,710,678	91,459,059	84,196,251	2,897,381	-	50,284,164	43,475,726
Restricted Assets:								
Statutory Deposits in New York or Other States	292,215	274,070	4,918,881	6,755,656	-	-	3,779,660	3,649,896
Other Restricted Assets	-	-	15,501,075	15,214,157	-	-	1,002,575	1,002,897
Total Restricted Assets	292,215	274,070	20,419,956	21,969,813	-	-	4,782,235	4,652,793
Total Assets	$ 1,919,899	$ 1,984,748	$ 111,879,015	$ 106,166,064	$ 2,897,381	$ -	$ 55,066,399	$ 48,128,519

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF ESTATES' ASSETS - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019 AND 2018

Assets

	CUATRO		EVEREADY		FIDUCIARY		FIRST CENTRAL	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Unrestricted Assets:								
Cash and Cash Equivalents	$ 256,783	$ 500,057	$ 162,584	$ 214,198	$ 99,722	$ 155,628	$ 394,177	$ 2,123,401
Investments								
Bonds, at fair market value	4,351,739	2,504,053	325,068	317,056	33,898,482	34,200,954	1,994,301	-
Total Investments	4,351,739	2,504,053	325,068	317,056	33,898,482	34,200,954	1,994,301	-
Total Cash, Cash Equivalents and Investments	4,608,522	3,004,110	487,652	531,254	33,998,204	34,356,582	2,388,478	2,123,401
Other Invested Assets:								
Investment in Subsidiaries	-	-	-	-	-	-	-	-
Total Cash, Cash Equivalents, Investments and Other Invested Assets (unrestricted)	4,608,522	3,004,110	487,652	531,254	33,998,204	34,356,582	2,388,478	2,123,401
Reinsurance Recoverables on Paid Losses and LAE	-	-	-	-	11,038,686	6,371,306	55,689	37,427
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	-	-	(10,747,428)	(6,357,995)	-	-
Net Reinsurance Recoverables on Paid Losses and LAE	-	-	-	-	291,258	13,311	55,689	37,427
Reinsurance Recoverables on Unpaid Losses and LAE	-	-	-	-	20,191,628	18,205,768	4,318,697	5,284,820
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	-	-	(17,839,530)	(17,730,789)	-	-
Net Reinsurance Recoverables on Unpaid Losses and LAE	-	-	-	-	2,352,098	474,979	4,318,697	5,284,820
Receivables from Others	-	-	-	-	-	-	-	-
Accrued Investment Income	17,548	13,114	-	-	144,647	148,661	1,211	-
Other Assets	25,000	405,939	-	-	434,404	609,488	1	1
Receivable from CMS	125,673	1,808,668	-	-	-	-	-	-
Allowance for uncollectible receivable from CMS	(125,673)	-	-	-	-	-	-	-
Net Receivable from CMS	-	1,808,668	-	-	-	-	-	-
Total Unrestricted Assets	4,651,070	5,231,831	487,652	531,254	37,220,611	35,603,021	6,764,076	7,445,649
Restricted Assets:								
Statutory Deposits in New York or Other States	-	-	-	-	-	-	-	-
Other Restricted Assets	25,357	25,357	-	-	-	-	-	-
Total Restricted Assets	25,357	25,357	-	-	-	-	-	-
Total Assets	$ 4,676,427	$ 5,257,188	$ 487,652	$ 531,254	$ 37,220,611	$ 35,603,021	$ 6,764,076	$ 7,445,649

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF ESTATES' ASSETS - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019 AND 2018

Assets	FRONTIER		GROUP COUNCIL		HEALTH REUBLIC		IDEAL MUTUAL	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Unrestricted Assets:								
Cash and Cash Equivalents	$ 272,801	$ 743,996	$ 118,851	$ 52,355	$ 697,535	$ 236,123	$ 324,583	$ 446,456
Investments								
Bonds, at fair market value	32,932,888	31,930,298	1,498,619	1,496,133	40,640,675	36,768,276	50,029,609	47,545,985
Total Investments	32,932,888	31,930,298	1,498,619	1,496,133	40,640,675	36,768,276	50,029,609	47,545,985
Total Cash, Cash Equivalents and Investments	33,205,689	32,674,294	1,617,470	1,548,488	41,338,210	37,004,399	50,354,192	47,992,441
Other Invested Assets:								
Investment in Subsidiaries	-	-	-	-	-	-	-	-
Total Cash, Cash Equivalents, Investments and Other Invested Assets (unrestricted)	33,205,689	32,674,294	1,617,470	1,548,488	41,338,210	37,004,399	50,354,192	47,992,441
Reinsurance Recoverables on Paid Losses and LAE	1,922,494	8,830,563	23,008,616	23,008,616	-	-	35,434,559	55,190,961
Less: Allowance for Uncollectible Reinsurance Recoverables	(1,336,982)	(8,802,332)	(23,008,616)	(23,008,616)	-	-	(33,059,744)	(55,021,627)
Net Reinsurance Recoverables on Paid Losses and LAE	585,512	28,231	-	-	-	-	2,374,815	169,334
Reinsurance Recoverables on Unpaid Losses and LAE	4,887,376	4,890,602	-	-	-	-	4,816,968	4,934,427
Less: Allowance for Uncollectible Reinsurance Recoverables	(2,183,261)	(4,846,299)	-	-	-	-	(3,754,065)	(4,898,001)
Net Reinsurance Recoverables on Unpaid Losses and LAE	2,704,115	44,303	-	-	-	-	1,062,903	36,426
Receivables from Others	-	-	-	100,000	-	-	500,000	500,000
Accrued Investment Income	117,145	143,645	1,923	4,362	185,481	179,024	55,785	142,673
Other Assets	-	130,325	-	-	368,964	474,592	-	-
Receivable from CMS	-	-	-	-	-	-	-	-
Allowance for uncollectible receivable from CMS	-	-	-	-	-	-	-	-
Net Receivable from CMS	-	-	-	-	-	-	-	-
Total Unrestricted Assets	36,612,461	33,020,798	1,619,393	1,652,850	41,892,655	37,658,015	54,347,695	48,840,874
Restricted Assets:								
Statutory Deposits in New York or Other States	1,445,338	1,432,583	-	-	-	-	-	-
Other Restricted Assets	1,714,896	1,712,215	-	-	-	-	361,397	2,509,048
Total Restricted Assets	3,160,234	3,144,798	-	-	-	-	361,397	2,509,048
Total Assets	$ 39,772,695	$ 36,165,596	$ 1,619,393	$ 1,652,850	$ 41,892,655	$ 37,658,015	$ 54,709,092	$ 51,349,922

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF ESTATES' ASSETS - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019 AND 2018

Assets

	INSCORP		MIDLAND		PLICA		REALM NATIONAL	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Unrestricted Assets:								
Cash and Cash Equivalents	$ 125,800	$ 1,491,337	$ 626,643	$ 1,494,661	$ 321,422	$ 394,961	$ -	$ 544,919
Investments								
Bonds, at fair market value	14,230,388	13,635,714	374,570,648	361,061,776	14,428,966	15,235,589	-	-
Total Investments	14,230,388	13,635,714	374,570,648	361,061,776	14,428,966	15,235,589	-	-
Total Cash, Cash Equivalents and Investments	14,356,188	15,127,051	375,197,291	362,556,437	14,750,388	15,630,550	-	544,919
Other Invested Assets:								
Investment in Subsidiaries	-	-	-	-	-	-	-	-
Total Cash, Cash Equivalents, Investments and Other Invested Assets (unrestricted)	14,356,188	15,127,051	375,197,291	362,556,437	14,750,388	15,630,550	-	544,919
Reinsurance Recoverables on Paid Losses and LAE	15,593,543	25,294,526	80,218,597	111,791,095	-	-	1,725,446	7,382,661
Less: Allowance for Uncollectible Reinsurance Recoverables	(14,588,691)	(23,928,066)	(69,522,542)	(111,166,892)	-	-	(1,725,446)	(7,382,661)
Net Reinsurance Recoverables on Paid Losses and LAE	1,004,852	1,366,460	10,696,055	624,203	-	-	-	-
Reinsurance Recoverables on Unpaid Losses and LAE	103,994	119,572	17,938,428	14,895,843	-	-	123,981	155,997
Less: Allowance for Uncollectible Reinsurance Recoverables	(103,994)	(109,990)	(11,393,271)	(14,810,241)	-	-	(123,981)	(155,997)
Net Reinsurance Recoverables on Unpaid Losses and LAE	-	9,582	6,545,157	85,602	-	-	-	-
Receivables from Others	250,000	447,565	3,000,000	3,000,000	-	-	-	-
Accrued Investment Income	62,270	50,584	1,442,614	1,579,969	43,936	50,502	-	-
Other Assets	-	464,000	-	-	-	-	-	160,956
Receivable from CMS	-	-	-	-	-	-	-	-
Allowance for uncollectible receivable from CMS	-	-	-	-	-	-	-	-
Net Receivable from CMS	-	-	-	-	-	-	-	-
Total Unrestricted Assets	15,673,310	17,465,242	396,881,117	367,846,211	14,794,324	15,681,052	-	705,875
Restricted Assets:								
Statutory Deposits in New York or Other States	105,662	103,415	-	-	-	-	-	-
Other Restricted Assets	1,669,666	1,656,572	1,057,981	1,053,518	-	-	-	-
Total Restricted Assets	1,775,328	1,759,987	1,057,981	1,053,518	-	-	-	-
Total Assets	$ 17,448,638	$ 19,225,229	$ 397,939,098	$ 368,899,729	$ 14,794,324	$ 15,681,052	$ -	$ 705,875

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF ESTATES' ASSETS - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019 AND 2018

Assets	TOUCHSTONE		UNION INDEMNITY		CLOSED ESTATES		ESTATE TOTALS	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Unrestricted Assets:								
Cash and Cash Equivalents	$ 89,835	$ 484,934	$ 724,297	$ 695,656	$ -	$ 714,817	$ 5,692,824	$ 12,231,884
						-		
Investments								
Bonds, at fair market value	5,812,489	6,210,484	22,333,242	21,672,113	-	-	718,944,396	688,013,503
Total Investments	5,812,489	6,210,484	22,333,242	21,672,113	-	-	718,944,396	688,013,503
Total Cash, Cash Equivalents and Investments	5,902,324	6,695,418	23,057,539	22,367,769	-	714,817	724,637,220	700,245,387
Other Invested Assets:								
Investment in Subsidiaries	-	-	-	-	-	-	-	388,865
Total Cash, Cash Equivalents, Investments and Other Invested Assets (unrestricted)	5,902,324	6,695,418	23,057,539	22,367,769	-	714,817	724,637,220	700,634,252
Reinsurance Recoverables on Paid Losses and LAE	-	-	9,019,023	9,841,190	-	-	200,057,618	269,458,542
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	(9,019,023)	(9,841,190)	-	-	(179,031,048)	(264,043,911)
Net Reinsurance Recoverables on Paid Losses and LAE	-	-	-	-	-	-	21,026,570	5,414,631
Reinsurance Recoverables on Unpaid Losses and LAE	-	-	-	-	-	-	89,368,895	83,233,598
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	-	-	-	-	(56,394,840)	(71,176,201)
Net Reinsurance Recoverables on Unpaid Losses and LAE	-	-	-	-	-	-	32,974,055	12,057,397
Receivables from Others	-	-	400,000	400,000	-	-	4,150,000	4,448,384
Accrued Investment Income	30,748	8,420	72,950	54,866	-	-	2,692,583	2,875,618
Other Assets	-	-	-	-	-	-	1,195,785	4,067,667
Receivable from CMS	-	-	-	-	-	-	125,673	1,808,668
Allowance for uncollectible receivable from CMS	-	-	-	-	-	-	(125,673)	-
Net Receivable from CMS	-	-	-	-	-	-	-	1,808,668
Total Unrestricted Assets	5,933,072	6,703,838	23,530,489	22,822,635	-	714,817	786,676,213	731,306,617
Restricted Assets:								
Statutory Deposits in New York or Other States	-	-	-	-	-	-	10,541,756	12,215,620
Other Restricted Assets	-	-	3,154,733	3,656,299	-	-	24,487,680	26,830,063
Total Restricted Assets	-	-	3,154,733	3,656,299	-	-	35,029,436	39,045,683
Total Assets	$ 5,933,072	$ 6,703,838	$ 26,685,222	$ 26,478,934	$ -	$ 714,817	$ 821,705,649	$ 770,352,300

Appendix A

THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF THE ESTATES' LIABILITIES AND (DEFICIT) SURPLUS OF ASSETS OVER LIABILITIES - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019 AND 2018

Liabilities	AMERICAN MEDICAL		ATLANTIC MUTUAL		ATLANTIS HEALTH		CENTENNIAL	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Secured Claims	$ -	$ -	$ 16,083,413	$ 3,650,084	$ -	$ -	$ 1,264,125	$ 1,089,481
Class I - Administrative Claims	20,126	13,701	893,221	762,083	3,241	-	544,736	493,219
Class II - Claims and Related Costs:								
Allowed	18,387	-	79,886,973	66,072,621	-	-	59,679,950	54,321,923
Non Allowed	106,018	225	166,658,631	182,361,339	400,000	-	96,170,081	107,117,004
Total Class II - Claims and Related Costs	124,405	225	246,545,604	248,433,960	400,000	-	155,850,031	161,438,927
Class III - Federal Government Claims	-	-	39,444,431	39,418,405	7,627,354	-	6,839,598	6,839,598
Class IV - Employee Claims	2,400	2,400	-	-	-	-	-	-
Class V - State and Local Government Claims	300,142	338,456	3,679,120	3,698,287	2,892,344	-	2,493,926	2,501,026
Class VI - General Creditor Claims	1,728,054	3,803,949	7,748,262	8,313,144	384,346	-	5,273,016	3,230,552
Class VII - Late Filed Claims	-	-	10,000	10,000	-	-	500,000	500,000
Class VIII - Section 1307 (Shareholder) Loans	-	-	159,398,946	159,398,946	-	-	-	-
Class IX - Shareholder Claims	5,000,000	5,000,000	-	-	-	-	-	-
Total Liabilities	7,175,127	9,158,731	473,802,997	463,684,909	11,307,285	-	172,765,432	176,092,803
Defined Benefit Pension and Other Post-retirement Plan Liabilities	94,391	71,637	3,040,721	2,897,905	4,268	-	1,910,037	1,780,071
(Deficit) Surplus of Assets over Liabilities	(5,349,619)	(7,245,620)	(364,964,703)	(360,416,750)	(8,414,172)	-	(119,609,070)	(129,744,355)
Total Liabilities and (Deficit) Surplus of Assets over Liabilities	$ 1,919,899	$ 1,984,748	$ 111,879,015	$ 106,166,064	$ 2,897,381	$ -	$ 55,066,399	$ 48,128,519

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF THE ESTATES' LIABILITIES AND (DEFICIT) SURPLUS OF ASSETS OVER LIABILITIES - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019 AND 2018

Liabilities	**CUATRO** 12/31/2019	**CUATRO** 12/31/2018	**EVEREADY** 12/31/2019	**EVEREADY** 12/31/2018	**FIDUCIARY** 12/31/2019	**FIDUCIARY** 12/31/2018	**FIRST CENTRAL** 12/31/2019	**FIRST CENTRAL** 12/31/2018
Secured Claims	$ 25,357	$ 25,357	$ -	$ -	$ -	$ -	$ -	$ -
Class I - Administrative Claims	47,488	29,692	12,494	31,214	369,949	270,782	3,929	13,185
Class II - Claims and Related Costs:								
Allowed	-	-	13,120,622	13,120,622	29,681,020	4,244,240	78,780,220	78,780,220
Non Allowed	11,231,673	10,452,908	9,593,517	10,482,353	137,643,137	158,989,903	-	-
Total Class II - Claims and Related Costs	11,231,673	10,452,908	22,714,139	23,602,975	167,324,157	163,234,143	78,780,220	78,780,220
Class III - Federal Government Claims	284,026	132,393	5,857	5,857	-	-	-	-
Class IV - Employee Claims	-	-	-	-	1,200	1,200	-	-
Class V - State and Local Government Claims	-	-	573,094	573,094	1,832,190	1,832,190	874,434	874,434
Class VI - General Creditor Claims	2,801,094	2,797,767	955,681	955,681	581,140	581,090	1,763,389	1,763,389
Class VII - Late Filed Claims	-	-	-	-	-	-	-	-
Class VIII - Section 1307 (Shareholder) Loans	-	-	-	-	992,197	992,197	-	-
Class IX - Shareholder Claims	-	-	-	-	-	-	1	1
Total Liabilities	14,389,638	13,438,117	24,261,265	25,168,821	171,100,833	166,911,602	81,421,973	81,431,229
Defined Benefit Pension and Other Post-retirement Plan Liabilities	106,522	16,300	150,771	143,798	602,114	504,728	-	-
(Deficit) Surplus of Assets over Liabilities	(9,819,733)	(8,197,229)	(23,924,384)	(24,781,365)	(134,482,336)	(131,813,309)	(74,657,897)	(73,985,580)
Total Liabilities and (Deficit) Surplus of Assets over Liabilities	$ 4,676,427	$ 5,257,188	$ 487,652	$ 531,254	$ 37,220,611	$ 35,603,021	$ 6,764,076	$ 7,445,649

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF THE ESTATES' LIABILITIES AND (DEFICIT) SURPLUS OF ASSETS OVER LIABILITIES - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019 AND 2018

Liabilities	**FRONTIER**		**GROUP COUNCIL**		**HEALTH REUPLIC**		**IDEAL MUTUAL**	
	12/31/2019	**12/31/2018**	**12/31/2019**	**12/31/2018**	**12/31/2019**	**12/31/2018**	**12/31/2019**	**12/31/2018**
Secured Claims	$ 1,714,896	$ 1,712,215	$ -	$ -	$ -	$ -	$ 275,043	$ 2,422,695
Class I - Administrative Claims	1,157,054	1,178,247	46,830	29,101	88,573	179,376	994,400	1,345,756
Class II - Claims and Related Costs:								
Allowed	149,910,499	146,727,222	244,862,538	242,617,258	217,956,237	-	262,571,857	262,343,195
Non Allowed	42,437,057	54,547,849	5,413,647	6,981,136	-	217,950,494	23,832,506	27,256,603
Total Class II - Claims and Related Costs	192,347,556	201,275,071	250,276,185	249,598,394	217,956,237	217,950,494	286,404,363	289,599,798
Class III - Federal Government Claims	-	-	-	-	198,271,869	197,571,069	-	-
Class IV - Employee Claims	-	-	4,425	4,425	-	-	-	-
Class V - State and Local Government Claims	10,060,199	10,060,199	23,160	22,828	19,159,690	19,159,690	280,887	280,887
Class VI - General Creditor Claims	18,494,517	22,773,835	56,202,748	56,202,748	5,627,157	5,627,157	52,589,503	57,863,633
Class VII - Late Filed Claims	9	9	-	-	-	-	70,902,912	70,902,912
Class VIII - Section 1307 (Shareholder) Loans	-	-	-	-	264,966,400	264,966,400	-	-
Class IX - Shareholder Claims	10,584	10,584	-	-	-	-	-	-
Total Liabilities	223,784,815	237,010,160	306,553,348	305,857,496	706,069,926	705,454,186	411,447,108	422,415,681
Defined Benefit Pension and Other Post-retirement Plan Liabilities	3,187,393	3,159,367	516,059	558,021	532,124	489,436	8,913,664	8,654,217
(Deficit) Surplus of Assets over Liabilities	(187,199,513)	(204,003,931)	(305,450,014)	(304,762,667)	(664,709,395)	(668,285,607)	(365,651,680)	(379,719,976)
Total Liabilities and (Deficit) Surplus of Assets over Liabilities	$ 39,772,695	$ 36,165,596	$ 1,619,393	$ 1,652,850	$ 41,892,655	$ 37,658,015	$ 54,709,092	$ 51,349,922

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF THE ESTATES' LIABILITIES AND (DEFICIT) SURPLUS OF ASSETS OVER LIABILITIES - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019 AND 2018

Liabilities	INSCORP		MIDLAND		PLICA		REALM NATIONAL	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Secured Claims	$ 702,086	$ 688,991	$ 1,013,448	$ 1,008,987	$ -	$ -	$ -	$ -
Class I - Administrative Claims	260,131	361,885	3,631,709	3,532,920	46,530	53,696	36	11,299
Class II - Claims and Related Costs:								
Allowed	13,258,562	12,912,418	1,279,709,565	1,269,013,460	200,000	200,001	82,729,608	85,546,808
Non Allowed	2,474,273	4,384,773	118,863,303	125,372,593	-	1,180,432	-	-
Total Class II - Claims and Related Costs	15,732,835	17,297,191	1,398,572,868	1,394,386,053	200,000	1,380,433	82,729,608	85,546,808
Class III - Federal Government Claims	-	-	-	-	-	-	-	-
Class IV - Employee Claims	-	-	-	-	-	-	2,616	2,616
Class V - State and Local Government Claims	1,516,794	1,516,794	8,317,575	8,317,575	59,395	59,395	61,013	61,013
Class VI - General Creditor Claims	66,841,791	70,556,427	99,182,637	118,637,162	126,101	126,101	16,824,615	18,654,069
Class VII - Late Filed Claims	-	-	169,550,639	169,550,639	-	-	401	401
Class VIII - Section 1307 (Shareholder) Loans	-	-	-	-	-	-	-	-
Class IX - Shareholder Claims	107,467,599	107,467,599	-	-	13,339,045	12,998,356	-	-
Total Liabilities	192,521,236	197,888,887	1,680,268,876	1,695,433,336	13,771,071	14,617,981	99,618,289	104,276,206
Defined Benefit Pension and Other Post-retirement Plan Liabilities	2,227,195	2,071,735	16,104,931	16,366,243	1,023,253	1,063,071		
(Deficit) Surplus of Assets over Liabilities	(177,299,793)	(180,735,393)	(1,298,434,709)	(1,342,899,850)	-	-	(99,618,289)	(103,570,331)
Total Liabilities and (Deficit) Surplus of Assets over Liabilities	$ 17,448,638	$ 19,225,229	$ 397,939,098	$ 368,899,729	$ 14,794,324	$ 15,681,052	$ -	$ 705,875

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF THE ESTATES' LIABILITIES AND (DEFICIT) SURPLUS OF ASSETS OVER LIABILITIES - MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019 AND 2018

Liabilities	TOUCHSTONE		UNION INDEMNITY		CLOSED ESTATES		ESTATE TOTALS	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Secured Claims	$ -	$ -	$ 3,317,719	$ 3,819,284	$ -	$ -	$ 24,396,087	$ 14,417,094
Class I - Administrative Claims	92,822	51,733	533,621	407,317	-	32,861	8,746,890	8,798,067
Class II - Claims and Related Costs:								
Allowed	-	-	177,383,863	177,354,226	-	3,955,293	2,689,749,901	2,417,209,507
Non Allowed	10,284,815	10,284,608	324,743	352,445	-	-	625,433,401	917,714,665
Total Class II - Claims and Related Costs	10,284,815	10,284,608	177,708,606	177,706,671	-	3,955,293	3,315,183,302	3,334,924,172
Class III - Federal Government Claims	-	-	137,245	137,245	-	-	252,610,380	244,104,567
Class IV - Employee Claims	-	-	-	-	-	-	10,641	10,641
Class V - State and Local Government Claims	4,110	9,190	71,337	71,337	-	14,045	52,199,410	49,390,440
Class VI - General Creditor Claims	7,158,996	7,160,723	96,106,546	96,058,442	-	57,539	440,389,593	475,163,408
Class VII - Late Filed Claims	-	-	68,826,987	68,826,987	-	-	309,790,948	309,790,948
Class VIII - Section 1307 (Shareholder) Loans	10,639,750	10,639,750	-	-	-	-	435,997,293	435,997,293
Class IX - Shareholder Claims	54,653,626	54,653,626	-	-	-	-	180,470,855	180,130,166
Total Liabilities	82,834,119	82,799,630	346,702,061	347,027,283	-	4,059,738	5,019,795,399	5,052,726,796
Defined Benefit Pension and Other Post-retirement Plan Liabilities	159,895	36,935	3,875,038	4,199,884	-	-	42,448,376	42,013,348
(Deficit) Surplus of Assets over Liabilities	(77,060,942)	(76,132,727)	(323,891,877)	(324,748,233)	-	(3,344,921)	(4,240,538,126)	(4,324,387,844)
Total Liabilities and (Deficit) Surplus of Assets over Liabilities	$ 5,933,072	$ 6,703,838	$ 26,685,222	$ 26,478,934	$ -	$ 714,817	$ 821,705,649	$ 770,352,300

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF THE ESTATES' CASH RECEIPTS AND DISBURSEMENTS AND
CHANGES IN CASH, CASH EQUIVALENTS AND INVESTED ASSETS (UNRESTRICTED) - MODIFIED CASH BASIS
DECEMBER 31, 2019 AND 2018

	AMERICAN MEDICAL		ATLANTIC MUTUAL		ATLANTIS HEALTH		CENTENNIAL	
Receipts:	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Net Investment Income Received	$ 19,309	$ 12,293	$ 1,760,652	$ 1,309,920	$ 30,401	$ -	$ 961,186	$ 651,804
Reinsurance Recovered	-	-	321,475	168,528	-	-	273,001	829,269
Premiums Collected	-	-	-	-	-	-	-	-
Salvage and Subrogation Recoveries	-	-	11,876	1,044,344	-	-	82,390	535,890
Reimbursement from Central Disbursement Account	-	-	-	-	-	-	-	-
Release from Statutory Deposits	-	109,101	1,914,325	-	-	-	-	2,261,673
Litigation Awards	-	-	-	-	-	-	-	-
CMS Recoveries	-	-	-	-	-	-	-	-
Large Deductible	-	-	105,618	-	-	-	-	-
Transfer from Segregated Accounts	-	-	-	103,941	-	-	-	-
Pharmacy Receivables	-	-	-	-	-	-	-	-
Miscellaneous	102,090	7,459	19,315	7,095	26,698	-	443	527
Total Receipts	121,399	128,853	4,133,261	2,633,828	57,099	-	1,317,020	4,279,163
Disbursements:								
Distributions	-	-	1,319,773	3,236,233	-	-	-	-
Transfer to Segregated Accounts	-	-	-	-	-	-	-	-
Loss Adjustment Expense	-	-	5,050	-	-	-	5,764	6,903
Reimbursement of Allocated Expenses:								
Salaries	78,329	102,912	775,246	931,246	11,258	-	634,865	672,506
Employee Relations & Welfare	63,669	67,355	601,828	589,499	-	-	501,822	412,287
Rent and Related Expenses	8,492	31,126	260,741	483,323	-	-	85,608	187,328
Professional Fees	37,310	38,478	94,126	86,989	13,474	-	80,711	78,033
General and Administrative Expenses	8,105	15,906	87,326	158,914	406	-	68,363	113,359
Large Deductible	-	-	-	220,256	-	-	-	-
Salvage and Subrogation Fees	-	-	333	5,209	-	-	12,648	1,555
Miscellaneous	6,275	26,070	121,370	165,754	5,260	-	82,215	101,348
Total Disbursements	202,180	281,847	3,265,793	5,877,423	30,398	-	1,471,996	1,573,319
Net Disbursements Over Receipts	(80,781)	(152,994)	867,468	(3,243,595)	26,701	-	(154,976)	2,705,844
Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Beginning of Year	1,686,969	1,838,487	76,961,171	80,420,690	-	-	39,114,182	36,475,790
Opening Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Balances of New Estates	-	-	-	-	2,847,825	-	-	-
Realized Loss on sale of Real Estate	-	-	-	-	-	-	-	-
Change in Unrealized Gain / (Loss) on Investments	367	1,476	1,285,729	(215,924)	11,680	-	808,738	(67,452)
Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), End of Period / Year	$ 1,606,555	$ 1,686,969	$79,114,368	$76,961,171	$ 2,886,206	$ -	$ 39,767,944	$ 39,114,182

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF THE ESTATES' CASH RECEIPTS AND DISBURSEMENTS AND
CHANGES IN CASH, CASH EQUIVALENTS AND INVESTED ASSETS (UNRESTRICTED) - MODIFIED CASH BASIS
DECEMBER 31, 2019 AND 2018

	CUATRO		EVEREADY		FIDUCIARY		FIRST CENTRAL	
Receipts:	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Net Investment Income Received	$ 67,143	$ 7,812	$ 8,762	$ 8,464	$ 703,400	$ 683,538	$ 13,693	$ 1,032
Reinsurance Recovered	-	-	-	-	45,909	-	327,624	445,128
Premiums Collected	-	-	-	-	-	(97)	-	-
Salvage and Subrogation Recoveries	-	-	(7,610)	34,017	81,944	512,488	-	53,492
Reimbursement from Central Disbursement Account	-	-	-	-	-	-	-	-
Release from Statutory Deposits	-	-	-	-	-	-	-	-
Litigation Awards	-	-	-	-	-	-	-	-
CMS Recoveries	1,826,256	-	-	-	-	-	-	-
Large Deductible	-	-	-	-	-	-	-	-
Transfer from Segregated Accounts	-	-	-	-	-	-	-	-
Pharmacy Receivables	341,361	-	-	-	-	-	-	-
Miscellaneous	5,596	2,092	2,420	619	61,886	295,969	-	-
Total Receipts	2,240,356	9,904	3,572	43,100	893,139	1,491,898	341,317	499,652
Disbursements:								
Distributions	-	-	-	-	-	-	-	-
Transfer to Segregated Accounts	-	25,357	-	-	-	-	-	-
Loss Adjustment Expense	-	-	-	-	-	-	-	-
Reimbursement of Allocated Expenses:								
Salaries	276,070	40,674	21,410	35,382	400,398	1,120,656	21,847	38,063
Employee Relations & Welfare	210,522	22,753	-	-	284,503	481,662	16,441	26,088
Rent and Related Expenses	22,789	10,143	860	-	140,636	216,911	2,176	68,689
Professional Fees	65,493	31,686	28,953	24,917	878,439	457,688	30,637	29,279
General and Administrative Expenses	28,956	14,236	595	4,492	119,579	306,880	2,897	6,314
Large Deductible	-	-	-	-	-	-	-	-
Salvage and Subrogation Fees	-	-	2,177	6,680	620	16,273	-	-
Miscellaneous	31,919	15,954	293	293	46,590	84,017	3,037	3,728
Total Disbursements	635,749	160,803	54,288	71,764	1,870,765	2,684,087	77,035	172,161
Net Disbursements Over Receipts	1,604,607	(150,899)	(50,716)	(28,664)	(977,626)	(1,192,189)	264,282	327,491
Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Beginning of Year	3,004,110	-	531,254	564,349	34,356,582	35,824,497	2,123,401	1,795,910
Opening Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Balances of New Estates	-	3,151,816	-	-	-	-	-	-
Realized Loss on sale of Real Estate	-	-	-	-	-	-	-	-
Change in Unrealized Gain / (Loss) on Investments	(195)	3,193	7,114	(4,431)	619,248	(275,726)	795	-
Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), End of Period / Year	$ 4,608,522	$ 3,004,110	$ 487,652	$ 531,254	$33,998,204	$ 34,356,582	$ 2,388,478	$ 2,123,401

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF THE ESTATES' CASH RECEIPTS AND DISBURSEMENTS AND
CHANGES IN CASH, CASH EQUIVALENTS AND INVESTED ASSETS (UNRESTRICTED) - MODIFIED CASH BASIS
DECEMBER 31, 2019 AND 2018

	FRONTIER		GROUP COUNCIL		HEALTH REPUBLIC		IDEAL MUTUAL	
Receipts:	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Net Investment Income Received	$ 846,267	$ 431,083	$ 37,087	$ 20,191	$ 1,086,600	$ 672,176	$ 1,274,209	$ 894,195
Reinsurance Recovered	646,991	878,923	-	-	-	-	3,252,183	589,905
Premiums Collected	7,872	7,679	-	-	-	-	-	-
Salvage and Subrogation Recoveries	3,793	4,935	-	-	-	-	-	-
Reimbursement from Central Disbursement Account	-	-	100,000	-	-	-	-	-
Release from Statutory Deposits	-	-	-	-	-	-	-	-
Litigation Awards	-	-	-	-	2,200,000	-	-	-
CMS Recoveries	-	-	-	-	-	-	-	-
Large Deductible	-	-	-	-	-	-	-	-
Transfer from Segregated Accounts	-	89,670	-	-	-	-	-	-
Pharmacy Receivables	-	-	-	-	452,694	-	-	-
Miscellaneous	15	145,214	207	-	31,043	455,088	-	-
Total Receipts	1,504,938	1,557,504	137,294	20,191	3,770,337	1,127,264	4,526,392	1,484,100
Disbursements:								
Distributions	-	-	-	-	-	-	807,705	754,170
Transfer to Segregated Accounts	10,048	-	-	-	-	-	-	-
Loss Adjustment Expense	65,430	-	-	-	-	353,576	29,595	-
Reimbursement of Allocated Expenses:								
Salaries	441,572	471,582	16,875	10,905	145,655	442,395	628,555	387,027
Employee Relations & Welfare	332,308	293,201	14,134	6,976	113,063	279,012	495,502	243,120
Rent and Related Expenses	108,877	365,310	2,578	14,944	103,880	137,878	94,362	280,551
Professional Fees	70,315	243,293	30,312	28,059	302,743	599,480	88,127	50,189
General and Administrative Expenses	51,082	124,738	2,281	2,555	16,268	172,054	67,999	64,840
Large Deductible	-	-	-	-	-	-	-	-
Salvage and Subrogation Fees	-	-	-	-	-	-	-	-
Miscellaneous	55,186	841,444	2,829	3,224	56,724	53,565	77,530	76,832
Total Disbursements	1,134,818	2,339,568	69,009	66,663	738,333	2,037,960	2,289,375	1,856,729
Net Disbursements Over Receipts	370,120	(782,064)	68,285	(46,472)	3,032,004	(910,696)	2,237,017	(372,629)
Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Beginning of Year	32,674,294	33,354,686	1,548,488	1,591,032	37,004,399	37,590,190	47,992,441	48,312,170
Opening Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Balances of New Estates	-	-	-	-	-	-	-	-
Realized Loss on sale of Real Estate	-	(1,865,555)	-	-	-	-	-	-
Change in Unrealized Gain / (Loss) on Investments	161,275	1,967,227	697	3,928	1,301,807	324,905	124,734	52,900
Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), End of Period / Year	$33,205,689	$32,674,294	$ 1,617,470	$ 1,548,488	$41,338,210	$ 37,004,399	$ 50,354,192	$ 47,992,441

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THE DOMESTIC ESTATES IN LIQUIDATION
COMBINING SCHEDULES OF THE ESTATES' CASH RECEIPTS AND DISBURSEMENTS AND
CHANGES IN CASH, CASH EQUIVALENTS AND INVESTED ASSETS (UNRESTRICTED) - MODIFIED CASH BASIS
DECEMBER 31, 2019 AND 2018

	INSCORP		MIDLAND		PLICA		REALM NATIONAL	
Receipts:	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Net Investment Income Received	$ 249,821	$ 308,878	$ 9,214,260	$ 6,562,882	$ 334,822	$ 259,631	$ -	$ 2,106
Reinsurance Recovered	703,529	2,686,030	5,874,178	2,491,099	-	-	850,000	228,180
Premiums Collected	-	-	-	-	-	-	-	-
Salvage and Subrogation Recoveries	163	175	-	2,205	-	-	-	-
Reimbursement from Central Disbursement Account	-	-	-	-	-	-	-	-
Release from Statutory Deposits	-	131,113	-	-	-	1,275,772	-	96,896
Litigation Awards	-	-	-	-	-	-	-	-
CMS Recoveries	-	-	-	-	-	-	-	-
Large Deductible	-	-	-	-	-	-	-	-
Transfer from Segregated Accounts	-	-	-	-	-	-	1,559,408	-
Pharmacy Receivables	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	4,071	-
Total Receipts	953,513	3,126,196	15,088,438	9,056,186	334,822	1,535,403	2,413,479	327,182
Disbursements:								
Distributions	825,887	9,172,749	3,265,580	2,631,183	1,180,432	1,631,441	2,817,200	-
Transfer to Segregated Accounts	-	746,916	-	-	-	-	-	-
Loss Adjustment Expense	-	-	352,095	21,248	-	-	-	-
Reimbursement of Allocated Expenses:								
Salaries	446,713	457,256	1,085,377	1,132,965	27,761	44,497	13,466	66,010
Employee Relations & Welfare	338,965	276,613	848,608	726,019	18,841	28,650	10,567	36,654
Rent and Related Expenses	69,759	223,223	161,840	529,078	3,140	21,867	11,184	43,614
Professional Fees	72,262	52,567	274,529	221,640	32,039	31,391	19,858	30,888
General and Administrative Expenses	46,518	74,408	114,293	185,404	3,495	7,946	2,458	11,334
Large Deductible	-	-	-	-	-	-	-	-
Salvage and Subrogation Fees	-	-	-	-	-	-	-	-
Miscellaneous	39,891	61,960	330,706	418,766	12,419	18,217	83,665	6,866
Total Disbursements	1,839,995	11,065,692	6,433,028	5,866,303	1,278,127	1,784,009	2,958,398	195,366
Net Disbursements Over Receipts	(886,482)	(7,939,496)	8,655,410	3,189,883	(943,305)	(248,606)	(544,919)	131,816
Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Beginning of Year	15,127,051	23,054,827	362,556,437	359,396,329	15,630,550	15,850,461	544,919	413,103
Opening Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Balances of New Estates	-	-	-	-	-	-	-	-
Realized Loss on sale of Real Estate	-	-	-	-	-	-	-	-
Change in Unrealized Gain / (Loss) on Investments	115,619	11,720	3,985,444	(29,775)	63,143	28,695	-	-
Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), End of Period / Year	$ 14,356,188	$ 15,127,051	$ 375,197,291	$ 362,556,437	$ 14,750,388	$15,630,550	$ -	$ 544,919

Appendix A

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COMBINING SCHEDULES OF THE ESTATES' CASH RECEIPTS AND DISBURSEMENTS AND
CHANGES IN CASH, CASH EQUIVALENTS AND INVESTED ASSETS (UNRESTRICTED) - MODIFIED CASH BASIS
DECEMBER 31, 2019 AND 2018

	TOUCHSTONE		UNION INDEMNITY		CLOSED ESTATES		ESTATE TOTALS	
Receipts:	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Net Investment Income Received	$ 129,524	$ 58,359	$ 510,633	$ 361,821	$ -	$ 3	$ 17,247,769	$ 12,246,188
Reinsurance Recovered	-	-	331,875	3,723,360	-	-	12,626,765	12,040,422
Premiums Collected	-	-	-	-	-	-	7,872	7,582
Salvage and Subrogation Recoveries	-	-	90,000	-	-	-	262,556	2,187,546
Reimbursement from Central Disbursement Account	-	-	-	-	-	-	100,000	-
Release from Statutory Deposits	-	-	-	-	-	-	1,914,325	3,874,555
Litigation Awards	-	-	-	-	-	-	2,200,000	-
CMS Recoveries	148,555	-	-	-	-	-	1,974,811	-
Large Deductible	-	-	-	-	-	-	105,618	-
Transfer from Segregated Accounts	-	-	-	-	65,677	-	1,625,085	193,611
Pharmacy Receivables	-	-	-	-	-	-	794,055	-
Miscellaneous	31,829	166	-	-	89	-	285,702	914,229
Total Receipts	309,908	58,525	932,508	4,085,181	65,766	3	39,144,558	31,464,133
Disbursements:								
Distributions	-	-	13,052	3,586	737,267	-	10,966,896	17,429,362
Transfer to Segregated Accounts	-	-	-	-	-	-	10,048	772,273
Loss Adjustment Expense	-	-	-	-	-	-	457,934	381,727
Reimbursement of Allocated Expenses:								
Salaries	403,796	100,063	136,527	135,930	4,974	59,383	5,570,694	6,249,452
Employee Relations & Welfare	312,377	68,498	107,381	80,535	3,882	35,437	4,274,413	3,674,359
Rent and Related Expenses	244,228	124,669	13,956	109,765	218	17,015	1,335,324	2,865,434
Professional Fees	65,058	26,118	40,458	494,729	27,571	30,310	2,252,415	2,555,734
General and Administrative Expenses	46,721	54,556	14,819	23,522	579	10,524	682,740	1,351,982
Large Deductible	-	-	-	-	-	-	-	220,256
Salvage and Subrogation Fees	-	-	31,448	-	-	-	47,226	29,717
Miscellaneous	38,482	29,044	24,155	31,323	6,092	4,345	1,024,638	1,942,750
Total Disbursements	1,110,662	402,948	381,796	879,390	780,583	157,014	26,622,328	37,473,046
Net Disbursements Over Receipts	(800,754)	(344,423)	550,712	3,205,791	(714,817)	(157,011)	12,522,230	(6,008,913)
Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Beginning of Year	6,695,418	-	22,367,769	19,159,213	714,817	871,828	700,634,252	696,513,562
Opening Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Balances of New Estates	-	7,041,716	-	-	-	-	2,847,825	10,193,532
Realized Loss on sale of Real Estate	-	-	-	-	-	-	-	(1,865,555)
Change in Unrealized Gain / (Loss) on Investments	7,660	(1,875)	139,058	2,765	-	-	8,632,913	1,801,626
Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), End of Period / Year	$ 5,902,324	$ 6,695,418	$ 23,057,539	$ 22,367,769	$ -	$ 714,817	$ 724,637,220	$ 700,634,252