

**EISNERAMPER**

**THE DOMESTIC ESTATES IN LIQUIDATION**

**COMBINED FINANCIAL STATEMENTS OF THE  
DOMESTIC ESTATES IN LIQUIDATION  
- MODIFIED CASH BASIS**

**DECEMBER 31, 2021 and 2020  
(with Independent Auditors' Report)**



# THE DOMESTIC ESTATES IN LIQUIDATION

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

December 31, 2021 and 2020  
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

#### *Opinion*

We have audited the accompanying combined financial statements of the Domestic Estates in Liquidation (the "Company"), 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, 2021 and 2020, and the related combined statements of cash receipts and disbursements and changes in cash, cash equivalents and invested assets (unrestricted) – modified cash basis for the years then ended, and the related notes to the combined financial statements – modified cash basis.

In our opinion, the combined financial statements present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Domestic Estates in Liquidation as of December 31, 2021 and 2020, and its operations and its receipts and disbursements for the years then ended, in accordance with the modified cash basis of accounting described in Note 2.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter - 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 financial statements also do not reflect any provision for incurred but not reported claim reserves.



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## ***Responsibilities of Management for the Combined 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, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

## ***Auditors' Responsibilities for the Audit of the Combined Financial Statements***

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



***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  
Iselin, New Jersey  
July 14, 2022

EISNERAMPER  
LLP



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

<b>Combined Assets</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>Unrestricted Assets:</b>		
Cash and Cash Equivalents	\$ 31,841,480	\$ 47,475,385
Bonds, at fair market value	<u>896,374,573</u>	<u>721,235,465</u>
<b>Total Cash, Cash Equivalents and Invested Assets</b>	<u>928,216,053</u>	<u>768,710,850</u>
Reinsurance Recoverables on Paid Losses and LAE (Note 5)	179,595,594	210,575,657
Less: Allowance for Uncollectible Reinsurance Recoverables (Note 5)	<u>(164,523,760)</u>	<u>(184,706,225)</u>
Net Reinsurance Recoverables on Paid Losses and LAE	15,071,834	25,869,432
Reinsurance Recoverables on Unpaid Losses and LAE (Note 5)	49,019,869	65,701,797
Less: Allowance for Uncollectible Reinsurance Recoverables (Note 5)	<u>(26,746,955)</u>	<u>(41,311,978)</u>
Net Reinsurance Recoverables on Unpaid Losses and LAE	22,272,914	24,389,819
Amounts Recoverable from Federal Reinsurance (Note 7)	-	57,713,977
Less: Reserve for Retrospective Premiums Receivable (Note 7)	<u>-</u>	<u>(57,713,977)</u>
Net Amount Recoverable from Federal Reinsurance	-	-
Accrued Retrospective Premiums Receivable-Risk Corridors (Note 7)	-	438,368,502
Less: Reserve for Retrospective Premiums Receivable (Note 7)	<u>-</u>	<u>(438,368,502)</u>
Net Accrued Retrospective Premiums Receivable	-	-
Receivable from CMS	125,683	125,683
Less: Reserve for Receivable from CMS	<u>(125,683)</u>	<u>(125,683)</u>
Net Receivable from CMS	-	-
Receivables from Others	4,150,000	4,150,000
Accrued Investment Income	1,308,987	1,964,598
Other Assets	<u>3,790,667</u>	<u>1,031,184</u>
<b>Total Unrestricted Assets</b>	974,810,455	826,115,883
<b>Restricted Assets:</b>		
Statutory Deposits in Various States	10,713,212	10,900,929
Other Restricted Assets	<u>12,354,410</u>	<u>14,159,337</u>
<b>Total Restricted Assets</b>	<u>23,067,622</u>	<u>25,060,266</u>
<b>Total Combined Assets</b>	<u><u>\$ 997,878,077</u></u>	<u><u>\$ 851,176,149</u></u>

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,**

	<b>2021</b>	<b>2020</b>
<b>Combined Liabilities</b>		
<b>Secured Claims</b>	\$ 12,325,500	\$ 12,197,344
<b>Unsecured Claims:</b>		
Class One - Administrative Claims	7,941,058	7,880,497
Class Two - Claims and Related Costs		
Allowed	2,711,797,444	2,677,361,041
Non-Allowed	653,238,554	594,871,225
Total Class Two - Claims and Related Costs	3,365,035,998	3,272,232,266
Class Three - Federal Government Claims	63,219,593	338,377,723
Class Four - Employee Claims	9,475	8,025
Class Five - State and Local Government Claims	52,389,775	52,446,910
Class Six - General Creditor Claims	432,719,925	426,789,180
Class Seven - Late Filed Claims	309,790,547	309,790,547
Class Eight - Section 1307 (Shareholder) Loans	418,007,311	418,007,311
Class Nine - Shareholder Claims	167,131,810	181,582,385
<b>Total Combined Liabilities</b>	4,828,570,992	5,019,312,188
<b>Other Post-Employment Benefits Liability</b>	43,612,101	47,517,646
<b>Deficit of Combined Liabilities over Combined Assets</b>	(3,874,305,016)	(4,215,653,685)
<b>Total Combined Liabilities and Deficit of Combined Assets over Combined Liabilities</b>	\$ 997,878,077	\$ 851,176,149

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,**

	<u>2021</u>	<u>2020</u>
<b>Receipts:</b>		
Litigation Award	\$ 220,843,002	\$ 7,000,000
Reinsurance Recovered	18,787,062	12,769,389
Net Investment Income Received	8,879,223	15,746,405
Transfer from Segregated Account	1,872,679	510,670
Salvage and Subrogation Recoveries	1,753,031	851,632
Large Deductible	1,730,100	-
Second Injury Claim Refunds	1,377,306	-
Premiums Collected	617,628	633,706
Other Receipts	359,878	243,833
Release from Statutory Deposits	118,516	2,191,271
Pharmacy Reimbursements	-	17,988
<b>Total Combined Receipts</b>	<u>256,338,425</u>	<u>39,964,894</u>
<b>Disbursements:</b>		
Payments to Guaranty Associations and Creditors	<u>74,248,212</u>	<u>5,562,392</u>
<b>Operating Expenses:</b>		
Salaries	5,466,119	5,656,858
Employee Relations and Welfare	3,246,029	3,862,574
Professional Fees	2,809,576	2,833,674
Rent and Related Expenses	1,978,723	2,303,194
General and Administrative Expenses	1,385,497	1,306,247
<b>Total Operating Expenses</b>	<u>14,885,944</u>	<u>15,962,547</u>
<b>Other Disbursements:</b>		
Loss Adjustment Expense	262,748	1,027,097
Salvage and Subrogation	44,383	112,864
Transfer to Segregated Account	35,189	790,068
Other Expenses	29,566	255,898
Large Deductible	-	266,952
Loss and Return Premiums	-	77,088
<b>Total Other Disbursements</b>	<u>371,886</u>	<u>2,529,967</u>
<b>Total Disbursements</b>	<u>89,506,042</u>	<u>24,054,906</u>
<b>Receipts over Disbursements</b>	<u>166,832,383</u>	<u>15,909,988</u>
Cash, Cash Equivalents and Invested Assets (Unrestricted), Beginning of Year	<u>768,710,850</u>	<u>724,637,220</u>
Opening Cash, Cash Equivalents and Invested Assets (Unrestricted), Balances of New Estates	2,167,548	22,944,932
Net Change in Unrealized Gains on Investments	<u>(9,494,728)</u>	<u>5,218,710</u>
<b>Cash, Cash Equivalents and Invested Assets (Unrestricted), End of Year</b>	<u>\$ 928,216,053</u>	<u>\$ 768,710,850</u>

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**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**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, 2021 and 2020 pertain to the financial statements for each domestic Estate in liquidation set forth below:

	<u>2021</u>	<u>2020</u>
Alliance National Insurance Company	X	
American Medical and Life Insurance Company	X	X
Atlantic Mutual Insurance Company	X	X
Atlantis Health Plan, Inc.	X	X
Centennial Insurance Company	X	X
Cuatro, LLC	X	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
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

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

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

	<u>2021</u>	<u>2020</u>
Maidstone Insurance Company	X	X
Midland Insurance Company	X	X
One Title National Guaranty Company, Inc.	X	
Professional Liability Insurance Company of America		X
Quality Health Plans of New York, Inc.	X	
Union Indemnity Insurance Company of New York	X	X

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

Under New York Insurance Law Section 7405 (g) (2), the NYLB’s combined annual financial audit of domestic insurance companies in receivership is not required to include insurance companies placed into receivership within the calendar year or fiscal year covered by the audited financial statements. The following estates were put into liquidation in 2021 and excluded from the Combined Domestic Estates financial statements, Global Liberty Insurance Company of New York, Fresenius Health Plan of New York, Inc., and Park Insurance Company.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

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

**Profiles of Combined Domestic Estates In Liquidation Included in the Combined Domestic Estates Financial Statements for the Years Ended December 31, 2021 and 2020.**

**(1) Alliance National Insurance Company (“ANIC”)**

ANIC was placed into liquidation by order dated August 21, 2020 (“Liquidation Order”) and the Superintendent was appointed Liquidator.

A bar date of February 24, 2021, was established for the submission of all claims against ANIC or its insureds.

**(2) American Medical and Life Insurance Company (“AMLI”)**

AMLI was placed into liquidation by order dated December 28, 2016 and the Superintendent was appointed Liquidator.

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

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 2021 and 2020 financial statements of the Combined Domestic Estates in Liquidation, AMLI’s classes of liabilities are presented under Insurance Law Section 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.

**(3) 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. January 16, 2015, was established as the last day to submit evidence in support of such claims.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

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

**Profiles of Combined Domestic Estates In Liquidation (continued)**

**(4) Atlantis Health Plan Inc. (“Atlantis”)**

Atlantis was placed into liquidation by order dated April 19, 2019, and the Superintendent was appointed Liquidator.

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

**(5) 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. January 16, 2015, was established as the last day to submit evidence in support of such claims.

**(6) 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.

**(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.

A bar date of September 24, 2018, was established for the submission of claims against FIC or its insureds.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

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

**Profiles of Combined Domestic Estates In Liquidation (continued)**

**(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.

A bar date of December 31, 2013 was established for the submission of all claims against Frontier or its insureds. 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.

By order dated December 10, 2021, the Court closed the Group Council Liquidation proceeding.

**(12) Health Republic Insurance of New York, Corp. (“HRINY”)**

On May 11, 2016, HRINY was placed into liquidation and the Superintendent was appointed Liquidator.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**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)**

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.”

In compliance with the order, the NYLB has deferred the adjudication of creditor claims other than policy Claims but has included in the Combined Domestic Estates Financial Statements liabilities that were 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.

By order dated April 9, 2021, the Court permitted the submission to the Liquidator of additional claims, other than Policy Claims, for a four-month period, ending on August 9, 2021.

**(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) Maidstone Insurance Company (“Maidstone”)**

On February 13, 2020, Maidstone was placed into liquidation and the Superintendent was appointed Liquidator.

A bar date of February 13, 2021, was established for the submission of all claims against Maidstone and its insureds.

**(15) Midland Insurance Company (“Midland”)**

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

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

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

**Profiles of Combined Domestic Estates In Liquidation (continued)**

**(15) Midland Insurance Company (“Midland”) (continued)**

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, could 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 that was capable of having been submitted by the January 31, 2013 deadline established in the Bar Date Order.

**(16) One Title National Guaranty Company, Inc. (“OneTitle”)**

OneTitle was placed into liquidation on October 6, 2020, and the Superintendent was appointed Liquidator.

A bar date of April 6, 2021, was established for the submission of all claims against OneTitle and its insureds.

**(17) 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.

By order dated February 26, 2021, the Court closed the PLICA liquidation proceeding.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

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

**Profiles of Combined Domestic Estates In Liquidation (continued)**

**(18) Quality Health Plans of New York, Inc. (“QHPNY”)**

QHPNY was placed into liquidation on September 9, 2020, and the Superintendent was appointed Liquidator.

A bar date of January 9, 2021, was established for the submission of all claims against QHPNY and its insureds.

**(19) 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.

**(20) Touchstone Health HMO, Inc. (“Touchstone”)**

Touchstone 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.

**(21) 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.



**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

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

**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 in part by assessments on insurance company premiums on policies written in the State of New York. The NYLB performs claims-handling 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 ("Guaranty Funds") to pay the claims of insolvent insurance companies pursuant to their respective state laws. To the extent that the Guaranty Funds pay eligible claims of an Estate, the Guaranty Funds become creditors of the Estates.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**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 paid claims and outstanding reserves; (v) accruals for Classes One through Eight 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, 2021, and 2020:

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.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**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, 2021, and 2020, 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).

**Reinsurance**

Reinsurance recoverables on paid or allowed losses and loss adjustment expenses (“LAE”) are reported as an asset. 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.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

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

**Combined Assets (continued)**

**HRINY Receivable from Federal Reinsurance Program**

HRINY participated in the Affordable Care Act (“ACA”) 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, and (ii) retainer fees with third-party administrators and consultants. As of December 31, 2021, and 2020, the Receivables from Others totaled \$4,150,000. The CDA is discussed in further detail in Note 11.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 2: Summary of Significant Accounting Policies Basis of Presentation (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 include (i) advances to third-party administrators and (ii) pharmacy receivables.

As of December 31, 2021 and 2020, Other Assets by Estate are as follows:

<u>Estate</u>	<u>2021</u>	<u>2020</u>
QHPNY	\$ 2,340,333	\$ -
ANIC	648,513	-
AMIC	242,098	242,098
FIC	434,404	434,404
Centennial	112,463	112,463
Maidstone	-	229,363
AMLI	12,856	12,856
Total	<u>\$ 3,790,667</u>	<u>\$ 1,031,184</u>

**Restricted Assets**

**Statutory Deposits in Various States**

Statutory Deposits in Various 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.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 2: Summary of Significant Accounting Policies Basis of Presentation (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, 2021, 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):

<b>Domestic Estate in Liquidation</b>	<b>Statutory Deposits</b>	<b>Restricted Assets</b>			<b>Total</b>
		<b>Security Fund Cash</b>	<b>Funds Held for Secured Claims</b>	<b>Other Assets</b>	
Alliance	\$ -	\$ -	\$ 104,816	\$ -	\$ 104,816
Atlantic Mutual	4,796,210	-	2,418,605	688,613	7,903,428
American Medical	134,842	-	-	-	134,842
Centennial	3,733,867	-	571,187	229,538	4,534,592
Cuatro	-	-	-	25,357	25,357
Frontier	1,087,255	-	1,717,443	-	2,804,698
Ideal	-	-	-	322,022	322,022
Maidstone	855,039	-	-	531,061	1,386,100
Inscorp	105,999	-	537,127	990,248	1,633,374
Midland	-	252	627,231	415,928	1,043,411
OneTitle	-	-	35,189	-	35,189
Professional Liability	-	-	-	8,436	8,436
Union	-	-	3,123,629	7,728	3,131,357
<b>Total</b>	<b>\$ 10,713,212</b>	<b>\$ 252</b>	<b>\$ 9,135,227</b>	<b>\$ 3,218,931</b>	<b>\$ 23,067,622</b>

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

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

**Restricted Assets (continued)**

As of December 31, 2020, 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):

<u>Domestic Estate in Liquidation</u>	<u>Statutory Deposits</u>	<u>Restricted Assets</u>			<u>Total</u>
		<u>Security Fund Cash</u>	<u>Funds Held for Secured Claims</u>	<u>Other Assets</u>	
Atlantic Mutual	\$ 4,795,450	\$ -	\$ 2,420,288	\$ 688,613	\$ 7,904,351
American Medical	134,826	-	-	-	134,826
Centennial	3,787,928	-	571,763	229,538	4,589,229
Cuatro	-	-	-	25,357	25,357
Frontier	1,218,034	-	1,717,198	-	2,935,232
Ideal	-	-	-	304,505	304,505
Maidstone	858,402	-	1,968,269	532,052	3,358,723
Inscorp	106,289	-	537,099	990,248	1,633,636
Midland	-	252	627,168	415,930	1,043,350
Union	-	-	3,123,329	7,728	3,131,057
Total	<u>\$ 10,900,929</u>	<u>\$ 252</u>	<u>\$ 10,965,114</u>	<u>\$ 3,193,971</u>	<u>\$ 25,060,266</u>

**Combined Liabilities**

**Secured Claims**

Secured Claims, if present, relate to any claim secured by a 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, 2021 and 2020, Secured Claims totaled \$12,325,500 and \$12,197,344, 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.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 2: Summary of Significant Accounting Policies Basis of Presentation (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, 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 casual relationship; past and future pain and suffering; physical damage estimates; time on the line for exposure to toxin(s); venue; and verdict values.



**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 2: Summary of Significant Accounting Policies Basis of Presentation (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 amounts 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.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 2: Summary of Significant Accounting Policies Basis of Presentation (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 \$1,200 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.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 2: Summary of Significant Accounting Policies Basis of Presentation (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 assets 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 2020 financial statements have been reclassified to conform to the 2021 presentation.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 3: Unrestricted Investments**

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, 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Interest on Bonds	\$ 8,846,524	\$ 14,151,804
Interest on Short-Term Investments and Cash		
Equivalents	5,868	14,461
Realized Gain on Sale of Investments	451,050	819,446
Dividends	-	6,650
Total Gross Investment Income	9,303,442	14,992,361
Net (Depreciation)/Amortization of Bond Premium and Discount	(424,219)	754,044
Net Investment Income Received	\$ 8,879,223	\$ 15,746,405

As of December 31, 2021 and December 31, 2020, respectively, the cost or amortized cost and fair market value of bonds, by asset class are as follows:

<b>Asset Class</b>	<b>December 31, 2021</b>			
	<b>Cost or Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Market Value</b>
Asset backed	\$ 39,454,852	\$ 205,646	\$ (91,845)	\$ 39,568,653
Corporate	202,210,500	1,182,724	(607,137)	202,786,087
Government	80,327,531	967,350	(25,425)	81,269,456
Mortgage backed	6,419,353	170,544	-	6,589,897
Short term	221,896,904	17,230	(181,139)	221,732,995
Tax-exempt municipal	1,324,750	21,107	-	1,345,857
Treasury	343,385,023	1,007,391	(1,414,443)	342,977,971
Collateral Backed				
Mortgage Securities	103,638	19	-	103,657
	\$ 895,122,551	\$ 3,572,011	\$ (2,319,989)	\$ 896,374,573

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 3: Unrestricted Investments (continued)**

Asset Class	December 31, 2020			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Asset backed	\$ 64,273,814	\$ 897,911	\$ (3,602)	\$ 65,168,123
Corporate	239,995,172	4,460,023	(3,755)	244,451,440
Government	99,933,982	2,294,224	(301)	102,227,905
Mortgage backed	10,089,033	367,225	-	10,456,258
Short term	195,069,811	15,383	-	195,085,194
Tax-exempt municipal	511,837	2,108	-	513,945
Treasury	100,088,213	2,715,709	-	102,803,922
Collateral Backed Mortgage Securities	526,850	1,828	-	528,678
	<u>\$ 710,488,712</u>	<u>\$ 10,754,411</u>	<u>\$ (7,658)</u>	<u>\$ 721,235,465</u>

As of December 31, 2021 and December 31, 2020, 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):

Domestic Estates in Liquidation	December 31, 2021			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
ANIC	\$ 3,466,286	\$ 49	\$ (12,685)	\$ 3,453,650
AMIC	77,493,004	393,892	(271,406)	77,615,490
AMLI	1,136,200	37	(4,409)	1,131,828
Atlantis	2,559,252	5,679	(3,989)	2,560,942
Centennial	41,061,945	319,369	(159,713)	41,221,601
Cuatro	4,322,322	232	(29,251)	4,293,303
Eveready	209,899	5,603	-	215,502
FIC	40,799,607	77,967	(65,975)	40,811,599
FCIC	1,983,648	6,401	(15,670)	1,974,379
Frontier	32,790,970	94,998	(66,562)	32,819,406
Group Council	1,444,957	19	(868)	1,444,108
HRINY	260,205,835	1,472,732	(230,552)	261,448,015
Ideal	8,313,561	-	(55,080)	8,258,481
Maidstone	23,074,687	104,229	(73,640)	23,105,276
INSCORP	13,677,290	13,415	(107,781)	13,582,924
Midland	354,495,905	1,012,640	(1,125,584)	354,382,961
QHPNY	889,715	-	(4,142)	885,573
Touchstone	5,178,709	11,192	(34,210)	5,155,691
Union	22,018,759	53,557	(58,472)	22,013,844
Total	<u>\$ 895,122,551</u>	<u>\$ 3,572,011</u>	<u>\$ (2,319,989)</u>	<u>\$ 896,374,573</u>

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 3: Unrestricted Investments (continued)**

Domestic Estates in Liquidation	December 31, 2020			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
AMIC	\$ 76,369,256	\$ 1,447,501	\$ (543)	\$ 77,816,214
AMLI	1,133,024	1,379	-	1,134,403
Atlantis	2,544,716	40,318	-	2,585,034
Centennial	38,014,043	918,534	(213)	38,932,364
Cuatro	4,306,617	18,356	-	4,324,973
Eveready	318,750	12,520	-	331,270
FIC	39,014,111	315,289	(153)	39,329,247
FCIC	1,980,604	27,175	-	2,007,779
Frontier	32,023,072	345,013	(808)	32,367,277
Group Council	1,163,238	107	-	1,163,345
HRINY	39,090,886	2,793,611	(18)	41,884,479
Ideal	47,992,617	229,625	(3,626)	48,218,616
Maidstone	22,570,726	181,074	(10)	22,751,790
INSCORP	13,773,772	106,107	(321)	13,879,558
Midland	362,896,755	4,037,244	(1,925)	366,932,074
Touchstone	5,183,182	65,142	-	5,248,324
Union	22,113,343	215,416	(41)	22,328,718
<b>Total</b>	<b>\$ 710,488,712</b>	<b>\$ 10,754,411</b>	<b>\$ (7,658)</b>	<b>\$ 721,235,465</b>

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

	December 31, 2021					
	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	\$ 383,775,335	\$ (221,535)	\$ 248,264,003	\$ (2,098,454)	\$ 632,039,338	\$ (2,319,989)
<b>Total</b>	<b>\$ 383,775,335</b>	<b>\$ (221,535)</b>	<b>\$ 248,264,003</b>	<b>\$ (2,098,454)</b>	<b>\$ 632,039,338</b>	<b>\$ (2,319,989)</b>

	December 31, 2020					
	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	\$ 4,258,251	\$ (4,945)	\$ 9,150,992	\$ (2,713)	\$ 13,409,243	\$ (7,658)
<b>Total</b>	<b>\$ 4,258,251</b>	<b>\$ (4,945)</b>	<b>\$ 9,150,992</b>	<b>\$ (2,713)</b>	<b>\$ 13,409,243</b>	<b>\$ (7,658)</b>

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
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**Note 3: Unrestricted Investments (continued)**

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, 2021 and 2020.

The amortized cost and fair market value of bonds held to maturity at December 31, 2021 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.

<b>Combined Estates in Liquidation</b>	<b>2021</b>	
	<b>Fair Market Value</b>	<b>Amortized Cost</b>
Due within one year	\$ 510,668,333	\$ 510,183,544
Due after one year and before five years	384,599,931	383,883,287
Due after five years and before ten years	1,106,309	1,055,720
<b>Total Combined Domestic Estates</b>	<b>\$ 896,374,573</b>	<b>\$ 895,122,551</b>

Proceeds received from sales and maturities of bonds and net gains (losses) for the years ended December 31, 2021 and 2020 are as follows:

	<b>Proceeds Received</b>		<b>Net gains (losses) on Called or Sold Bonds for The Years Ended</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
American Medical	\$ 1,128,941	\$ 1,420,982	\$ 181	\$ -
Atlantic Mutual	44,185,052	32,180,072	22,555	151,687
Atlantis	1,100,947	1,128,993	161	-
Centennial	23,342,682	18,780,307	35,021	80,850
Cuatro	3,531,996	5,457,848	12	(2)
Eveready	110,000	-	-	-
Fiduciary	28,109,647	61,939,071	13,047	17,491
First Central	1,265,000	1,384,960	1	-
Frontier	20,968,029	52,828,633	10,631	46,723
Group Council	1,163,989	1,901,968	29	(1)
HRINY	301,411,470	19,298,944	55,903	7,953
Ideal	64,074,354	84,514,991	163,834	9,109
INSCORP	9,758,727	16,955,627	566	8,043
Maidstone	18,246,123	22,983,727	16,123	90,479
Midland	273,710,282	500,740,202	125,656	340,900
PLICA	-	44,055,028	-	31,683
Quality Health Plan	79,935	-	(63)	-
Touchstone	3,882,982	1,163,093	29	9,189
Union	12,613,947	33,354,401	7,364	25,342
<b>TOTALS</b>	<b>\$ 808,684,103</b>	<b>\$ 900,088,847</b>	<b>\$ 451,050</b>	<b>\$ 819,446</b>

**THE DOMESTIC ESTATES IN LIQUIDATION**  
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**Note 3: Unrestricted Investments (continued)**

**Mortgage-Backed Securities**

In 2021 and 2020, Management identified 177 and 214 mortgage-backed securities, respectively, with amortized costs of approximately \$45,977,843 and \$74,889,697, respectively. The mortgage-backed securities were carried at a fair market value of \$46,262,198 in 2021 and \$76,153,509 in 2020.

After reviewing these securities, Management has determined that, based on the information currently available to it, at December 31, 2021, 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.

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.



**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
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**Note 4: Fair Value Measurement (continued)**

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.

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, 2021:

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total Fair Value</b>
As of December 31, 2021:				
Unrestricted Assets:				
U.S. Government	\$ -	\$ 442,415,796	\$ -	\$ 442,415,796
U.S. Agencies	-	12,593,988	-	12,593,988
Mortgage-Backed Securities	-	46,262,207	-	46,262,207
Corporate Bonds	-	395,102,582	-	395,102,582
Restricted Assets:				
U.S. Government	-	-	-	-
Corporate Bonds	-	259,580	-	259,580
<b>Total</b>	<b>\$ -</b>	<b>\$ 896,634,153</b>	<b>\$ -</b>	<b>\$ 896,634,153</b>

**THE DOMESTIC ESTATES IN LIQUIDATION**  
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**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, 2020:

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total Fair Value</b>
As of December 31, 2020:				
Unrestricted Assets:				
U.S. Government	\$ -	\$ 290,831,391	\$ -	\$ 290,831,391
U.S. Agencies	-	16,878,028	-	16,878,028
Mortgage-Backed Securities	-	76,153,059	-	76,153,059
Corporate Bonds	-	337,372,987	-	337,372,987
Restricted Assets:				
U.S. Government	-	556,024	-	556,024
Corporate Bonds	-	2,073,000	-	2,073,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 723,864,489</b>	<b>\$ -</b>	<b>\$ 723,864,489</b>

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.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
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**Note 4: Fair Value Measurement (continued)**

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 2021 and 2020.

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.

There were no significant transfers into or transfers out of Level 1 or 2. There were no changes in valuation techniques during 2021 and 2020.

**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 Insurance Law Section 7427, 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 DOMESTIC ESTATES IN LIQUIDATION**  
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**Note 6: HRINY vs. United States Stipulation and Judgement**

On April 9, 2021, the New York Supreme Court supervising the HRINY liquidation signed an order approving a Stipulation for Entry of Final Judgment (“Stipulation”) between the Liquidator and the United States, which was then executed by the parties. The Stipulation Agreement provided that the United States would pay the Liquidator a net balance of \$220,838,583 (the “Judgment Amount”). The Stipulation also allows a Class Eight claim of the United States under the Solvency Loan in the amount of \$246,976,418.

On April 23, 2021, the United States Court of Federal Claims (“Court of Claims”) entered a judgment in favor of HRINY for amounts due under the Risk Corridors program for benefit years 2014 and 2015. The Court of Claims also entered a judgment against HRINY for monies due under the Risk Adjustment program, Risk Adjustment User Fees, the Start-up Loan, the CSR program and for accrued interest to be paid through deduction from the amount owed to HRINY. The netting of the two judgments resulted in a positive balance in favor of HRINY for the Judgment Amount.

On May 14, 2021, the United States paid Health Republic the Judgment Amount of \$220,838,583, after the netting of receivables and payables.

**Note 7: HRINY Start-Up and Solvency Loans**

The 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).

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, 2021, HRINY had received \$23,600,400 in disbursements from CMS under this start-up loan.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
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**Note 7: HRINY Start-Up and Solvency Loans (continued)**

As a result of the liquidation, none of the following originally scheduled repayments have been made:

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

Under the Stipulation Agreement and Judgement discussed in Note 6, the Start-Up loan of \$23,600,400 payable to CMS was netted against the balance due to HRINY.

On February 17, 2012, 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 was as follows:

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

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.

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**Note 7: HRINY Start-Up and Solvency Loans (continued)**

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

The Stipulation Agreement and the Judgement discussed in Note 6 allowed a Class Eight claim of the United States under the Solvency Loan in the amount of \$246,976,418, which is included as a Class Eight – Section 1307 (Shareholder) Loans as of December 31, 2021 and 2020.

**Note 8: 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 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.

HRINY had amounts recoverable under the Reinsurance Program as of December 31, 2021 and December 31, 2020 in the amount of \$0 and \$57,713,977, respectively.

Under the Stipulation Agreement and Judgement discussed in Note 6, the Federal Reinsurance balance due to HRINY of \$57,713,977 was paid.

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**Note 8: HRINY Risk Sharing Provisions of the Affordable Care Act (continued)**

**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 Corridors 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 Corridors Program. Conversely, if premiums fell short of this target, the Risk Corridors Program transferred a portion of this shortfall to QHP. The Risk Corridors Program is accounted for as premium adjustments for retrospectively rated contracts and totaled \$0 and \$438,368,502 as of December 31, 2021 and December 31, 2020, respectively. In preparing the combined modified cash basis financial statements, Management makes estimates of amounts recoverable under the Accrued Retrospective Premiums Receivable Program. Although Management has continued its efforts to maximize collections of the retrospective premiums receivable, a reserve of \$0 and \$438,368,502 at December 31, 2021 and December 31, 2020, respectively, was established.

Under the Stipulation Agreement and the Judgement discussed in Note 6, the balance due to HRINY of \$438,368,502 was paid.

**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 as assessments.

Under the Stipulation Agreement and Judgement discussed in Note 6, HRINY's risk adjustment payable balance, as adjusted, of \$251,643,496 was offset against the balances due to HRINY.

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**Note 9: 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, 2021:

Claims unpaid, as of December 31, 2020	\$ 217,956,237
Incurred claims – current period	-
Paid claims – current period	<u>-</u>
Claims unpaid, as of December 31, 2021	<u>\$ 217,956,237</u>

There were no changes in claims adjustment expenses unpaid, net of reinsurance, for the year ended December 31, 2021.

**Note 10: Related-Party Transactions**

For the years ended December 31, 2021 and 2020, 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, 2021 and 2020, the amounts remaining due to the NYLB are approximately \$1.1 million and \$1.4 million, respectively, and are included in Class One - Administrative Claims. During 2021 and 2020, the Combined Domestic Estates in Liquidation paid approximately \$14.9 million and \$16.0 million, respectively, of allocated expenses, detailed as follows:

	<u>2021</u>	<u>2020</u>
Salaries	\$ 5,466,119	\$ 5,656,858
Employee Relations & Welfare	3,246,029	3,862,574
Professional Fees	2,809,576	2,833,674
Rent and Related Expenses	1,978,723	2,303,194
General and Administrative	<u>1,385,497</u>	<u>1,306,247</u>
	<u>\$ 14,885,944</u>	<u>\$ 15,962,547</u>



**THE DOMESTIC ESTATES IN LIQUIDATION**  
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**Note 11: 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 salaries, 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 12: 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 Liability claims on these Estates, Management considers facts currently known and the requirements of statutory and decisional law. 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 claim experience and legal requirements.

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.

As of December 31, 2021 and 2020, the reserves for Midland, AMIC, Centennial and the corresponding reinsurance, if any, are as follows and reported as a Class Two – Non-Allowed Liability:

	<u>2021</u>	<u>2020</u>
<b>Midland</b>		
Gross Reserves		
Asbestos	\$ -	\$ 7,000,000
Total Gross Reserves	-	7,000,000
Less Ceded Reserves	-	(1,701,352)
Net Reserves	<u>\$ -</u>	<u>\$ 5,298,648</u>

**THE DOMESTIC ESTATES IN LIQUIDATION**  
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**Note 12: Asbestos and Environmental Reserves (continued)**

	<b>2021</b>	<b>2020</b>
<b>AMIC</b>		
Gross Reserves		
Asbestos	\$ 1,178,401	\$ 1,178,401
Total Gross Reserves	1,178,401	1,178,401
Less Ceded Reserves	-	-
Net Reserves	\$ 1,178,401	\$ 1,178,401
	<b>2021</b>	<b>2020</b>
<b>Centennial</b>		
Gross Reserves		
Asbestos	\$ 29,285,777	\$ 29,285,777
Environmental	-	54
Product	11,517,936	11,517,936
Total Gross Reserves	40,803,713	40,803,767
Less Ceded Reserves	(31,086,414)	(31,086,414)
Net Reserves	\$ 9,717,299	\$ 9,717,353

The Midland gross reserves were eliminated in 2021, due to the settlement of a large Asbestos claim.

The changes in Asbestos, Environmental and Product Liability reserves are reported in Class Two – Claims and Related Costs Non-Allowed.

**Note 13: 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.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
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**Note 13: Taxes (continued)**

At December 31, 2021, 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 @ 12/31/20	New Estate Carryover	Expired NOL and Final Return	Taxable Income (Loss) for 2021	Section Reduction of (NOL) Form 982	NOL Carry- forward @ 12/31/2021
Alliance National	N/A	\$ -	\$(30,502,977)	\$ -	\$(83,711,393)	\$ -	\$ (114,214,370)
American Medical	2029	(12,959,324)	-	-	(107,501)	209,833	(12,856,992)
Atlantic Mutual	2025	(651,627,416)	-	-	(1,698,022)	13,265,691	(640,059,747)
Atlantis Health Plans Inc.	2039	(577,611)	-	-	(16,324)	-	(593,935)
Centennial	2020	(345,176,051)	-	-	(670,973)	8,130,767	(337,716,257)
Cuatro, LLC	2031	(31,956,858)	-	-	(90,669)	-	(32,047,527)
Eveready	2034	(34,229,524)	-	-	(130,646)	-	(34,360,170)
Fiduciary	2034	(288,422,055)	-	-	(418,320)	9,530,843	(279,309,532)
First Central	2020	(52,371,931)	-	40,841,607	(66,715)	993,545	(10,603,494)
Frontier	2033	(79,376,046)	-	-	(2,202,594)	2,535,029	(79,043,611)
Group Council	2024	(344,087,847)	-	-	(33,152)	-	(344,120,999)
Health Republic	2035	-	(578,629,054)	-	130,040,201	-	(448,588,853)
Ideal Mutual	2018	(348,058,567)	-	-	(604,629)	1,945,484	(346,717,712)
INSCORP	2024	(124,533,602)	-	-	(1,522,403)	3,761,326	(122,294,679)
Maidstone Insurance Co.	2035	(28,883,815)	-	-	(5,101,379)	-	(33,985,194)
Midland Insurance	2024	(1,054,246,956)	-	-	1,633,676	1,598,676	(1,051,014,604)
OneTitle	2033	-	(665,819)	-	(27,252)	-	(693,071)
PLICA	2034	(11,834,855)	-	-	(1)	200,000	(11,634,856)
Quality Health Plans	2030	-	(33,309,217)	-	(424,444)	-	(33,733,661)
Touchstone	2027	(63,238,796)	-	-	(64,961)	-	(63,303,757)
Union	2018	(206,415,896)	-	-	(29,963)	-	(206,445,859)
<b>Totals</b>		<u>\$ (3,677,997,150)</u>	<u>\$ (643,107,067)</u>	<u>\$ 40,841,607</u>	<u>\$ 34,752,536</u>	<u>\$ 42,171,194</u>	<u>\$ (4,203,338,880)</u>
<b>Valuation Allowance</b>		<u>\$ 3,677,997,150</u>	<u>\$ 643,107,067</u>	<u>\$ (40,841,607)</u>	<u>\$ (34,752,536)</u>	<u>\$ (42,171,194)</u>	<u>\$ 4,203,338,880</u>
<b>Operating Loss Carry Forward, Net of Valuation Allowance</b>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2021, the Combined Domestic Estates in Liquidation have accumulated NOLs of approximately \$4.2 billion. Because the Estates are in liquidation, it is uncertain whether these NOLs will be utilized.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 14: 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, 2021 and 2020, the Domestic Estates have accrued liabilities for post-employment benefit plans of approximately \$49.8 million and \$53.5 million, respectively. This liability is allocated among the Domestic Estates based on allocated salary attributable to each Estate.

The NYLB classifies 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.

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.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 14: Employers’ Accounting for Defined Benefit Pension and Other Post-Employment Benefit Plans (“OPEB”) (continued)**

In 2021 and 2020, the OPEB liability in Class One totaled \$6,215,671 and \$5,931,569, respectively. The OPEB liabilities which are included as a separate line item, “Other Post-Employment Benefits”, totaled \$43,612,101 in 2021 and \$47,532,446 in 2020.

An independent actuarial firm conducted a valuation of the OPEB liability for the years ended December 31, 2021, and 2020, and reported its conclusions in reports dated January 25, 2022 and February 1, 2021, respectively (collectively, “Actuarial Reports”). Pursuant to the Actuarial Reports, discount rates of 2.75% and 2.25% were used for Benefit Obligations in 2021 and 2020, respectively, and 2.25% and 3.00% used for Net Benefit Cost in 2021 and 2020, 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:

	<b>2021</b>		<b>2020</b>
OPEB (Initial Accrual) as of January 1, 2021:	<u>\$ 53,464,015</u>	OPEB (Initial Accrual) as of January 1, 2020:	<u>\$ 51,388,435</u>
OPEB as of December 31, 2021:	<u>\$ 49,827,772</u>	OPEB as of December 31, 2020:	<u>\$ 53,464,015</u>
Net Periodic Benefit Cost for the fiscal year 2021:	<u>\$ 1,343,364</u>	Net Periodic Benefit Cost for the fiscal year 2020:	<u>\$ 865,294</u>

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 14: Employers' Accounting for Defined Benefit Pension and Other Post-Employment Benefit Plans ("OPEB") (continued)**

The following presentation was extracted from the Actuarial Reports for the years ended December 31, 2021, and 2020:

<b>Reconciliation of benefit obligation</b>	<b>Post-Employment Benefits</b>	
	<b>2021</b>	<b>2020</b>
Obligation at beginning of year	\$ 53,464,015	\$ 51,091,275
Service cost including expenses	585,093	599,367
Interest cost	1,135,831	1,431,051
Actuarial loss/(gain)	(2,971,802)	2,470,261
Benefit payments and expected expenses	(2,385,365)	(2,127,939)
Obligation at end of year	\$ 49,827,772	\$ 53,464,015
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at beginning of year	\$ -	\$ -
Employer contributions	2,142,067	2,140,234
Benefit payments and actual expenses	(2,142,067)	(2,140,234)
Fair value of plan assets at end of year	-	-
Unfunded status at end of year	\$ 49,827,772	\$ 53,464,015

Amounts recognized in unrestricted net assets consist of:

	<b>Post-Employment Benefits</b>	
	<b>2021</b>	<b>2020</b>
Transition asset/obligations	\$ -	\$ -
Prior service credit/cost	-	-
Gain	8,080,049	5,543,005
	\$ 8,080,049	\$ 5,543,005

**Cash Flows**

**Expected Future OPEB Payments**

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

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 14: Employers’ Accounting for Defined Benefit Pension and Other Post-Employment Benefits (“OPEB”) (continued)**

<u>Fiscal Year Ending:</u>	<u>OPEB Payment</u>
2022	\$ 1,987,401
2023	\$ 2,095,353
2024	\$ 2,208,228
2025	\$ 2,274,974
2026	\$ 2,349,612
Years 2027-2031	\$ 12,335,813

**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.

**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.

**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 15: 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.

**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 14, 2022, 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, 2021, is listed in the table below. This table represents all cash collected relating to reinsurance recoverable balances open at December 31, 2021, and billed and subsequently received through June 30, 2022.

<b><u>Domestic Estate in Liquidation</u></b>	<b><u>Collections of Reinsurance Recoverable on Paid Losses and LAE</u></b>
Fiduciary	\$ 1,039,133
Global	568,788
Centennial	240,830
Atlantic Mutual	196,923
Alliance National	165,412
Ideal	97,050
Midland	1,829
<b>Total</b>	<b>\$ 2,309,965</b>



**THE DOMESTIC ESTATES IN LIQUIDATION**  
**Notes to Combined Financial Statements of the Domestic Estates In Liquidation**  
**- Modified Cash Basis**  
**For the Years Ended December 31, 2021 and 2020**

**Note 17: Subsequent Events (continued)**

**Distributed Dividends**

The following Domestic Estates in Liquidation made dividend distributions subsequent to December 31, 2021:

INSCORP	\$ 156,280
Midland	<u>25,957</u>
<b>Total</b>	<b><u><u>\$ 182,237</u></u></b>

Liquidated Estates in 2022

Freelancer Insurance Company

## 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, 2021 and 2020, 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 14, 2022 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, 2021 and 2020 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

Iselin, New Jersey

July 14, 2022



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Supplementary Schedules  
**Appendix A**  
December 31, 2021 and 2020  
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, 2021 AND 2020**

<b>Assets</b>	<b>AMERICAN MEDICAL</b>		<b>ALLIANCE NATIONAL</b>		<b>ATLANTIC MUTUAL</b>		<b>ATLANTIS HEALTH</b>		<b>CENTENNIAL</b>	
	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>Unrestricted Assets:</b>										
Cash and Cash Equivalents	\$ 423,498	\$ 528,117	\$ 877,598	\$ -	\$ 4,043,221	\$ 4,399,197	\$ 343,382	\$ 363,589	\$ 2,095,638	\$ 2,644,416
Investments										
Certificate of Deposit	-	-	-	-	-	-	-	-	-	-
Bonds, at fair market value	1,131,828	1,134,403	3,453,650	-	77,615,490	77,816,214	2,560,942	2,585,034	41,221,601	38,932,364
Common Stocks, Unaffiliated at fair market value	-	-	-	-	-	-	-	-	-	-
Total Investments	1,131,828	1,134,403	3,453,650	-	77,615,490	77,816,214	2,560,942	2,585,034	41,221,601	38,932,364
<b>Total Cash, Cash Equivalents and Investments</b>	<b>1,555,326</b>	<b>1,662,520</b>	<b>4,331,248</b>	<b>-</b>	<b>81,658,711</b>	<b>82,215,411</b>	<b>2,904,324</b>	<b>2,948,623</b>	<b>43,317,239</b>	<b>41,576,780</b>
Other Invested Assets:										
Amounts Recoverable from Federal Reinsurance	-	-	-	-	-	-	-	-	-	-
Less: Reserve for Retrospective Premiums Receivable	-	-	-	-	-	-	-	-	-	-
Net Amount Recoverable from Federal Reinsurance	-	-	-	-	-	-	-	-	-	-
Accrued Retrospective Premiums Receivable-Risk Corridors	-	-	-	-	-	-	-	-	-	-
Less: Reserve for Retrospective Premiums Receivable	-	-	-	-	-	-	-	-	-	-
Net Accrued Retrospective Premiums Receivable	-	-	-	-	-	-	-	-	-	-
<b>Total Cash, Cash Equivalents, Investments and Other Invested Assets (unrestricted)</b>	<b>1,555,326</b>	<b>1,662,520</b>	<b>4,331,248</b>	<b>-</b>	<b>81,658,711</b>	<b>82,215,411</b>	<b>2,904,324</b>	<b>2,948,623</b>	<b>43,317,239</b>	<b>41,576,780</b>
Reinsurance Recoverables on Paid Losses and LAE	-	-	1,140,301	-	14,201,034	14,713,132	-	-	5,010,820	5,604,139
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	(1,140,301)	-	(11,127,734)	(10,614,039)	-	-	(3,732,151)	(3,474,075)
Net Reinsurance Recoverables on Paid Losses and LAE	-	-	-	-	3,073,300	4,099,093	-	-	1,278,669	2,130,064
Reinsurance Recoverables on Unpaid Losses and LAE	-	-	3,004,851	-	11,296,028	14,881,311	-	-	15,536,254	17,164,614
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	-	-	(5,715,599)	(7,282,273)	-	-	(9,595,791)	(10,752,930)
Net Reinsurance Recoverables on Unpaid Losses and LAE	-	-	3,004,851	-	5,580,429	7,599,038	-	-	5,940,463	6,411,684
Receivables from Others	-	-	-	-	-	-	-	-	-	-
Accrued Investment Income	306	2,867	2,911	-	182,999	326,975	10,087	12,536	83,450	138,279
Other Assets	12,855	12,855	648,513	-	242,098	242,098	-	-	112,463	112,463
Receivable from CMS	-	-	-	-	-	-	-	-	-	-
Allowance for uncollectible receivable from CMS	-	-	-	-	-	-	-	-	-	-
Net Receivable from CMS	-	-	-	-	-	-	-	-	-	-
<b>Total Unrestricted Assets</b>	<b>1,568,487</b>	<b>1,678,242</b>	<b>7,987,523</b>	<b>-</b>	<b>90,737,537</b>	<b>94,482,615</b>	<b>2,914,411</b>	<b>2,961,159</b>	<b>50,732,284</b>	<b>50,369,270</b>
<b>Restricted Assets:</b>										
Statutory Deposits in New York or Other States	134,842	134,826	-	-	4,796,210	4,795,450	-	-	3,733,867	3,787,928
Other Restricted Assets	-	-	104,816	-	3,107,218	3,108,901	-	-	800,725	801,301
<b>Total Restricted Assets</b>	<b>134,842</b>	<b>134,826</b>	<b>104,816</b>	<b>-</b>	<b>7,903,428</b>	<b>7,904,351</b>	<b>-</b>	<b>-</b>	<b>4,534,592</b>	<b>4,589,229</b>
<b>Total Assets</b>	<b>\$ 1,703,329</b>	<b>\$ 1,813,068</b>	<b>\$ 8,092,339</b>	<b>\$ -</b>	<b>\$ 98,640,965</b>	<b>\$ 102,386,966</b>	<b>\$ 2,914,411</b>	<b>\$ 2,961,159</b>	<b>\$ 55,266,876</b>	<b>\$ 54,958,499</b>

APPENDIX A

THE DOMESTIC ESTATES IN LIQUIDATION  
 COMBINING SCHEDULES OF ESTATES' ASSETS - MODIFIED CASH BASIS  
 AS OF DECEMBER 31, 2021 AND 2020

<b>Assets</b>	<b>CUATRO</b>		<b>EVEREADY</b>		<b>FIDUCIARY</b>		<b>FIRST CENTRAL</b>	
	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>Unrestricted Assets:</b>								
Cash and Cash Equivalents	\$ 135,928	\$ 219,071	\$ 207,083	\$ 127,118	\$ 1,064,997	\$ 1,807,722	\$ 999,524	\$ 603,525
Investments								
Certificate of Deposit	-	-	-	-	-	-	-	-
Bonds, at fair market value	4,293,302	4,324,973	215,502	331,270	40,811,599	39,329,247	1,974,379	2,007,779
Common Stocks, Unaffiliated at fair market value	-	-	-	-	-	-	-	-
Total Investments	4,293,302	4,324,973	215,502	331,270	40,811,599	39,329,247	1,974,379	2,007,779
<b>Total Cash, Cash Equivalents and Investments</b>	<b>4,429,230</b>	<b>4,544,044</b>	<b>422,585</b>	<b>458,388</b>	<b>41,876,596</b>	<b>41,136,969</b>	<b>2,973,903</b>	<b>2,611,304</b>
Other Invested Assets:								
Amounts Recoverable from Federal Reinsurance	-	-	-	-	-	-	-	-
Less: Reserve for Retrospective Premiums Receivable	-	-	-	-	-	-	-	-
Net Amount Recoverable from Federal Reinsurance	-	-	-	-	-	-	-	-
Accrued Retrospective Premiums Receivable-Risk Corridors	-	-	-	-	-	-	-	-
Less: Reserve for Retrospective Premiums Receivable	-	-	-	-	-	-	-	-
Net Accrued Retrospective Premiums Receivable	-	-	-	-	-	-	-	-
<b>Total Cash, Cash Equivalents, Investments and Other Invested Assets (unrestricted)</b>	<b>4,429,230</b>	<b>4,544,044</b>	<b>422,585</b>	<b>458,388</b>	<b>41,876,596</b>	<b>41,136,969</b>	<b>2,973,903</b>	<b>2,611,304</b>
Reinsurance Recoverables on Paid Losses and LAE	-	-	-	-	40,146	16,414,950	75,743	300,909
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	-	-	-	(15,712,464)	-	-
Net Reinsurance Recoverables on Paid Losses and LAE	-	-	-	-	40,146	702,486	75,743	300,909
Reinsurance Recoverables on Unpaid Losses and LAE	-	-	-	-	1,101,765	14,022,409	4,600,515	3,852,390
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	-	-	-	(12,545,761)	-	-
Net Reinsurance Recoverables on Unpaid Losses and LAE	-	-	-	-	1,101,765	1,476,648	4,600,515	3,852,390
Receivables from Others	-	-	-	-	-	-	-	-
Accrued Investment Income	9,123	17,569	-	-	67,887	77,750	7,926	10,385
Other Assets	-	-	-	-	434,404	434,404	1	1
Receivable from CMS	125,683	125,683	-	-	-	-	-	-
Allowance for uncollectible receivable from CMS	(125,683)	(125,683)	-	-	-	-	-	-
Net Receivable from CMS	-	-	-	-	-	-	-	-
<b>Total Unrestricted Assets</b>	<b>4,438,353</b>	<b>4,561,613</b>	<b>422,585</b>	<b>458,388</b>	<b>43,520,798</b>	<b>43,828,257</b>	<b>7,658,088</b>	<b>6,774,989</b>
<b>Restricted Assets:</b>								
Statutory Deposits in New York or Other States	-	-	-	-	-	-	-	-
Other Restricted Assets	25,357	25,357	-	-	-	-	-	-
<b>Total Restricted Assets</b>	<b>25,357</b>	<b>25,357</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 4,463,710</b>	<b>\$ 4,586,970</b>	<b>\$ 422,585</b>	<b>\$ 458,388</b>	<b>\$ 43,520,798</b>	<b>\$ 43,828,257</b>	<b>\$ 7,658,088</b>	<b>\$ 6,774,989</b>

APPENDIX A

THE DOMESTIC ESTATES IN LIQUIDATION  
 COMBINING SCHEDULES OF ESTATES' ASSETS - MODIFIED CASH BASIS  
 AS OF DECEMBER 31, 2021 AND 2020

<u>Assets</u>	<u>FRONTIER</u>		<u>GROUP COUNCIL</u>		<u>HEALTH REPUBLIC</u>		<u>IDEAL MUTUAL</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Unrestricted Assets:</b>								
Cash and Cash Equivalents	\$ 1,808,165	\$ 2,839,856	\$ 62,514	\$ 431,766	\$ 840,849	\$ 1,036,362	\$ 424,456	\$ 1,368,893
Investments								
Certificate of Deposit	-	-	-	-	-	-	-	-
Bonds, at fair market value	32,819,406	32,367,277	1,444,108	1,163,345	261,448,015	41,884,479	8,258,481	48,218,616
Common Stocks, Unaffiliated at fair market value	-	-	-	-	-	-	-	-
Total Investments	32,819,406	32,367,277	1,444,108	1,163,345	261,448,015	41,884,479	8,258,481	48,218,616
<b>Total Cash, Cash Equivalents and Investments</b>	<b>34,627,571</b>	<b>35,207,133</b>	<b>1,506,622</b>	<b>1,595,111</b>	<b>262,288,864</b>	<b>42,920,841</b>	<b>8,682,937</b>	<b>49,587,509</b>
Other Invested Assets:								
Amounts Recoverable from Federal Reinsurance	-	-	-	-	-	57,713,977	-	-
Less: Reserve for Retrospective Premiums Receivable	-	-	-	-	-	(57,713,977)	-	-
Net Amount Recoverable from Federal Reinsurance	-	-	-	-	-	-	-	-
Accrued Retrospective Premiums Receivable-Risk Corridors	-	-	-	-	-	438,368,502	-	-
Less: Reserve for Retrospective Premiums Receivable	-	-	-	-	-	(438,368,502)	-	-
Net Accrued Retrospective Premiums Receivable	-	-	-	-	-	-	-	-
<b>Total Cash, Cash Equivalents, Investments and Other Invested Assets (unrestricted)</b>	<b>34,627,571</b>	<b>35,207,133</b>	<b>1,506,622</b>	<b>1,595,111</b>	<b>262,288,864</b>	<b>42,920,841</b>	<b>8,682,937</b>	<b>49,587,509</b>
Reinsurance Recoverables on Paid Losses and LAE	1,850,105	1,831,879	23,008,616	23,008,616	-	-	35,635,528	42,301,708
Less: Allowance for Uncollectible Reinsurance Recoverables	(1,361,331)	(1,344,886)	(23,008,616)	(23,008,616)	-	-	(33,388,188)	(35,438,307)
Net Reinsurance Recoverables on Paid Losses and LAE	488,774	486,993	-	-	-	-	2,247,340	6,863,401
Reinsurance Recoverables on Unpaid Losses and LAE	1,790,641	1,919,139	-	-	-	-	2,462,468	4,634,284
Less: Allowance for Uncollectible Reinsurance Recoverables	(1,636,021)	(699,142)	-	-	-	-	(1,401,423)	(1,633,751)
Net Reinsurance Recoverables on Unpaid Losses and LAE	154,620	1,219,997	-	-	-	-	1,061,045	3,000,533
Receivables from Others	-	-	-	-	-	-	500,000	500,000
Accrued Investment Income	62,063	78,723	267	1	168,099	173,081	9,386	143,900
Other Assets	-	-	-	-	-	-	-	-
Receivable from CMS	-	-	-	-	-	-	-	-
Allowance for uncollectible receivable from CMS	-	-	-	-	-	-	-	-
Net Receivable from CMS	-	-	-	-	-	-	-	-
<b>Total Unrestricted Assets</b>	<b>35,333,028</b>	<b>36,992,846</b>	<b>1,506,889</b>	<b>1,595,112</b>	<b>262,456,963</b>	<b>43,093,922</b>	<b>12,500,708</b>	<b>60,095,343</b>
<b>Restricted Assets:</b>								
Statutory Deposits in New York or Other States	1,087,255	1,218,034	-	-	-	-	-	-
Other Restricted Assets	1,717,443	1,717,198	-	-	-	-	322,021	304,505
<b>Total Restricted Assets</b>	<b>2,804,698</b>	<b>2,935,232</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>322,021</b>	<b>304,505</b>
<b>Total Assets</b>	<b>\$ 38,137,726</b>	<b>\$ 39,928,078</b>	<b>\$ 1,506,889</b>	<b>\$ 1,595,112</b>	<b>\$ 262,456,963</b>	<b>\$ 43,093,922</b>	<b>\$ 12,822,729</b>	<b>\$ 60,399,848</b>

APPENDIX A

THE DOMESTIC ESTATES IN LIQUIDATION  
 COMBINING SCHEDULES OF ESTATES' ASSETS - MODIFIED CASH BASIS  
 AS OF DECEMBER 31, 2021 AND 2020

<u>Assets</u>	<u>INSCORP</u>		<u>MAIDSTONE</u>		<u>MIDLAND</u>		<u>ONE TITLE</u>		<u>PLICA</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Unrestricted Assets:</b>										
Cash and Cash Equivalents	\$ 409,657	\$ 823,430	\$ 868,296	\$ 593,252	\$ 15,714,826	\$ 13,543,357	\$ 159,343	\$ -	\$ -	\$ 14,839,806
Investments										
Certificate of Deposit	-	-	-	-	-	-	-	-	-	-
Bonds, at fair market value	13,582,924	13,879,558	23,105,276	22,751,790	354,382,961	366,932,074	-	-	-	-
Common Stocks, Unaffiliated at fair market value	-	-	-	-	-	-	-	-	-	-
Total Investments	13,582,924	13,879,558	23,105,276	22,751,790	354,382,961	366,932,074	-	-	-	-
<b>Total Cash, Cash Equivalents and Investments</b>	<b>13,992,581</b>	<b>14,702,988</b>	<b>23,973,572</b>	<b>23,345,042</b>	<b>370,097,787</b>	<b>380,475,431</b>	<b>159,343</b>	<b>-</b>	<b>-</b>	<b>14,839,806</b>
Other Invested Assets:										
Amounts Recoverable from Federal Reinsurance	-	-	-	-	-	-	-	-	-	-
Less: Reserve for Retrospective Premiums Receivable	-	-	-	-	-	-	-	-	-	-
Net Amount Recoverable from Federal Reinsurance	-	-	-	-	-	-	-	-	-	-
Accrued Retrospective Premiums Receivable-Risk Corridors	-	-	-	-	-	-	-	-	-	-
Less: Reserve for Retrospective Premiums Receivable	-	-	-	-	-	-	-	-	-	-
Net Accrued Retrospective Premiums Receivable	-	-	-	-	-	-	-	-	-	-
<b>Total Cash, Cash Equivalents, Investments and Other Invested Assets (unrestricted)</b>	<b>13,992,581</b>	<b>14,702,988</b>	<b>23,973,572</b>	<b>23,345,042</b>	<b>370,097,787</b>	<b>380,475,431</b>	<b>159,343</b>	<b>-</b>	<b>-</b>	<b>14,839,806</b>
Reinsurance Recoverables on Paid Losses and LAE	10,696,302	14,493,643	-	-	79,154,622	82,887,658	-	-	-	-
Less: Allowance for Uncollectible Reinsurance Recoverables	(9,456,973)	(13,237,353)	-	-	(72,526,089)	(72,857,462)	-	-	-	-
Net Reinsurance Recoverables on Paid Losses and LAE	1,239,329	1,256,290	-	-	6,628,533	10,030,196	-	-	-	-
Reinsurance Recoverables on Unpaid Losses and LAE	103,994	103,994	-	-	9,123,353	9,123,656	-	-	-	-
Less: Allowance for Uncollectible Reinsurance Recoverables	(103,994)	(103,994)	-	-	(8,294,127)	(8,294,127)	-	-	-	-
Net Reinsurance Recoverables on Unpaid Losses and LAE	-	-	-	-	829,226	829,529	-	-	-	-
Receivables from Others	250,000	250,000	-	-	3,000,000	3,000,000	-	-	-	-
Accrued Investment Income	38,975	60,404	56,878	81,165	554,937	766,979	-	-	-	123
Other Assets	-	-	-	229,363	-	-	-	-	-	-
Receivable from CMS	-	-	-	-	-	-	-	-	-	-
Allowance for uncollectible receivable from CMS	-	-	-	-	-	-	-	-	-	-
Net Receivable from CMS	-	-	-	-	-	-	-	-	-	-
<b>Total Unrestricted Assets</b>	<b>15,520,885</b>	<b>16,269,682</b>	<b>24,030,450</b>	<b>23,655,570</b>	<b>381,110,483</b>	<b>395,102,135</b>	<b>159,343</b>	<b>-</b>	<b>-</b>	<b>14,839,929</b>
<b>Restricted Assets:</b>										
Statutory Deposits in New York or Other States	105,999	106,289	855,039	858,402	-	-	-	-	-	-
Other Restricted Assets	1,527,375	1,527,347	531,061	2,500,321	1,043,412	1,043,350	35,189	-	8,436	-
<b>Total Restricted Assets</b>	<b>1,633,374</b>	<b>1,633,636</b>	<b>1,386,100</b>	<b>3,358,723</b>	<b>1,043,412</b>	<b>1,043,350</b>	<b>35,189</b>	<b>-</b>	<b>8,436</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 17,154,259</b>	<b>\$ 17,903,318</b>	<b>\$ 25,416,550</b>	<b>\$ 27,014,293</b>	<b>\$ 382,153,895</b>	<b>\$ 396,145,485</b>	<b>\$ 194,532</b>	<b>\$ -</b>	<b>\$ 8,436</b>	<b>\$ 14,839,929</b>

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THE DOMESTIC ESTATES IN LIQUIDATION  
 COMBINING SCHEDULES OF ESTATES' ASSETS - MODIFIED CASH BASIS  
 AS OF DECEMBER 31, 2021 AND 2020

<u>Assets</u>	<u>QUALITY HEALTH</u>		<u>TOUCHSTONE</u>		<u>UNION INDEMNITY</u>		<u>ESTATE TOTALS</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Unrestricted Assets:</b>								
Cash and Cash Equivalents	\$ 7,083	\$ -	\$ 160,156	\$ 207,499	\$ 1,195,266	\$ 1,098,409	\$ 31,841,480	\$ 47,475,385
Investments								
Certificate of Deposit	-	-	-	-	-	-	-	-
Bonds, at fair market value	885,573	-	5,155,691	5,248,324	22,013,845	22,328,718	896,374,573	721,235,465
Common Stocks, Unaffiliated at fair market value	-	-	-	-	-	-	-	-
Total Investments	885,573	-	5,155,691	5,248,324	22,013,845	22,328,718	896,374,573	721,235,465
<b>Total Cash, Cash Equivalents and Investments</b>	<b>892,656</b>	<b>-</b>	<b>5,315,847</b>	<b>5,455,823</b>	<b>23,209,111</b>	<b>23,427,127</b>	<b>928,216,053</b>	<b>768,710,850</b>
Other Invested Assets:								
Amounts Recoverable from Federal Reinsurance	-	-	-	-	-	-	-	57,713,977
Less: Reserve for Retrospective Premiums Receivable	-	-	-	-	-	-	-	(57,713,977)
Net Amount Recoverable from Federal Reinsurance	-	-	-	-	-	-	-	-
Accrued Retrospective Premiums Receivable-Risk Corridors	-	-	-	-	-	-	-	438,368,502
Less: Reserve for Retrospective Premiums Receivable	-	-	-	-	-	-	-	(438,368,502)
Net Accrued Retrospective Premiums Receivable	-	-	-	-	-	-	-	-
<b>Total Cash, Cash Equivalents, Investments and Other Invested Assets (unrestricted)</b>	<b>892,656</b>	<b>-</b>	<b>5,315,847</b>	<b>5,455,823</b>	<b>23,209,111</b>	<b>23,427,127</b>	<b>928,216,053</b>	<b>768,710,850</b>
Reinsurance Recoverables on Paid Losses and LAE	-	-	-	-	8,782,377	9,019,023	179,595,594	210,575,657
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	-	-	(8,782,377)	(9,019,023)	(164,523,760)	(184,706,225)
Net Reinsurance Recoverables on Paid Losses and LAE	-	-	-	-	-	-	15,071,834	25,869,432
Reinsurance Recoverables on Unpaid Losses and LAE	-	-	-	-	-	-	49,019,869	65,701,797
Less: Allowance for Uncollectible Reinsurance Recoverables	-	-	-	-	-	-	(26,746,955)	(41,311,978)
Net Reinsurance Recoverables on Unpaid Losses and LAE	-	-	-	-	-	-	22,272,914	24,389,819
Receivables from Others	-	-	-	-	400,000	400,000	4,150,000	4,150,000
Accrued Investment Income	904	-	10,644	25,737	42,145	48,124	1,308,987	1,964,598
Other Assets	2,340,333	-	-	-	-	-	3,790,667	1,031,184
Receivable from CMS	-	-	-	-	-	-	125,683	125,683
Allowance for uncollectible receivable from CMS	-	-	-	-	-	-	(125,683)	(125,683)
Net Receivable from CMS	-	-	-	-	-	-	-	-
<b>Total Unrestricted Assets</b>	<b>3,233,893</b>	<b>-</b>	<b>5,326,491</b>	<b>5,481,560</b>	<b>23,651,256</b>	<b>23,875,251</b>	<b>974,810,455</b>	<b>826,115,883</b>
<b>Restricted Assets:</b>								
Statutory Deposits in New York or Other States	-	-	-	-	-	-	10,713,212	10,900,929
Other Restricted Assets	-	-	-	-	3,131,357	3,131,057	12,354,410	14,159,337
<b>Total Restricted Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,131,357</b>	<b>3,131,057</b>	<b>23,067,622</b>	<b>25,060,266</b>
<b>Total Assets</b>	<b>\$ 3,233,893</b>	<b>\$ -</b>	<b>\$ 5,326,491</b>	<b>\$ 5,481,560</b>	<b>\$ 26,782,613</b>	<b>\$ 27,006,308</b>	<b>\$ 997,878,077</b>	<b>\$ 851,176,149</b>



APPENDIX A

**THE DOMESTIC ESTATES IN LIQUIDATION  
COMBINING SCHEDULES OF ESTATES' LIABILITIES AND (DEFICIT)  
SURPLUS OF ASSETS OVER LIABILITIES - MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2021 AND 2020**

<u>Liabilities</u>	<u>AMERICAN MEDICAL</u>		<u>ALLIANCE NATIONAL</u>		<u>ATLANTIC MUTUAL</u>		<u>ATLANTIS HEALTH</u>		<u>CENTENNIAL</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Secured Claims	\$ -	\$ -	\$ 104,816	\$ -	\$ 3,689,557	\$ 3,691,240	\$ -	\$ -	\$ 1,062,275	\$ 1,062,851
Class I - Administrative Claims	31,880	27,227	19,524	-	802,689	691,066	6,747	912	487,804	423,978
Class II - Claims and Related Costs:										
Allowed	123,491	124,405	-	-	92,174,488	83,865,178	400,000	-	66,681,535	61,113,853
Non Allowed	-	-	137,942,492	-	129,961,874	152,337,201	-	400,000	123,645,108	135,640,083
IBNR	-	-	-	-	-	-	-	-	-	-
Total Class II - Claims and Related Costs	123,491	124,405	137,942,492	-	222,136,362	236,202,379	400,000	400,000	190,326,643	196,753,936
Class III - Federal Government Claims	-	-	85,475	-	39,444,431	39,444,431	7,627,354	7,627,354	6,839,598	6,839,598
Class IV - Employee Claims	2,400	2,400	1,200	-	-	-	-	-	-	-
Class V - State and Local Government Claims	382,399	382,399	2,260	-	3,590,299	3,590,299	2,892,344	2,892,344	2,493,926	2,493,926
Class VI - General Creditor Claims	1,519,135	1,728,054	7,658,064	-	7,039,528	7,018,868	384,346	384,346	5,401,559	5,401,559
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	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>7,059,305</b>	<b>7,264,485</b>	<b>145,813,831</b>	<b>-</b>	<b>436,111,812</b>	<b>450,047,229</b>	<b>11,310,791</b>	<b>11,304,956</b>	<b>207,111,805</b>	<b>213,475,848</b>
<b>Defined Benefit Pension and Other Post-retirement Plan</b>	<b>113,870</b>	<b>115,009</b>	<b>9,093</b>	<b>-</b>	<b>3,743,245</b>	<b>3,797,027</b>	<b>8,859</b>	<b>6,490</b>	<b>2,294,780</b>	<b>2,380,856</b>
<b>(Deficit) Surplus of Assets over Liabilities</b>	<b>(5,469,846)</b>	<b>(5,566,426)</b>	<b>(137,730,585)</b>	<b>-</b>	<b>(341,214,092)</b>	<b>(351,457,290)</b>	<b>(8,405,239)</b>	<b>(8,350,287)</b>	<b>(154,139,709)</b>	<b>(160,898,205)</b>
<b>Total Liabilities and (Deficit) Surplus of Assets over Liabilities</b>	<b>\$ 1,703,329</b>	<b>\$ 1,813,068</b>	<b>\$ 8,092,339</b>	<b>\$ -</b>	<b>\$ 98,640,965</b>	<b>\$ 102,386,966</b>	<b>\$ 2,914,411</b>	<b>\$ 2,961,159</b>	<b>\$ 55,266,876</b>	<b>\$ 54,958,499</b>

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**THE DOMESTIC ESTATES IN LIQUIDATION  
COMBINING SCHEDULES OF ESTATES' LIABILITIES AND (DEFICIT)  
SURPLUS OF ASSETS OVER LIABILITIES - MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2021 AND 2020**

<u>Liabilities</u>	<u>CUATRO</u>		<u>EVEREADY</u>		<u>FIDUCIARY</u>		<u>FIRST CENTRAL</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Secured Claims	\$ 25,357	\$ 25,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class I - Administrative Claims	26,087	11,198	12,184	6,440	183,584	191,288	5,793	13,078
Class II - Claims and Related Costs:								
Allowed	-	-	13,120,622	13,120,622	83,472,049	52,191,692	78,780,220	78,780,220
Non Allowed	11,051,875	11,056,588	9,570,320	9,472,848	60,298,256	100,680,477	-	-
IBNR	-	-	-	-	-	-	-	-
Total Class II - Claims and Related Costs	11,051,875	11,056,588	22,690,942	22,593,470	143,770,305	152,872,169	78,780,220	78,780,220
Class III - Federal Government Claims	284,026	284,026	5,857	5,857	-	-	-	-
Class IV - Employee Claims	-	-	-	-	1,200	1,200	-	-
Class V - State and Local Government Claims	511	511	573,094	573,094	1,832,190	1,832,190	954,215	954,215
Class VI - General Creditor Claims	2,801,094	2,801,094	955,681	955,681	581,140	581,140	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
<b>Total Liabilities</b>	<b>14,188,950</b>	<b>14,178,774</b>	<b>24,237,758</b>	<b>24,134,542</b>	<b>147,360,616</b>	<b>156,470,184</b>	<b>81,503,618</b>	<b>81,510,903</b>
<b>Defined Benefit Pension and Other Post-retirement</b>	<b>130,237</b>	<b>126,593</b>	<b>150,773</b>	<b>164,758</b>	<b>762,284</b>	<b>769,541</b>	<b>-</b>	<b>-</b>
<b>(Deficit) Surplus of Assets over Liabilities</b>	<b>(9,855,477)</b>	<b>(9,718,397)</b>	<b>(23,965,946)</b>	<b>(23,840,912)</b>	<b>(104,602,102)</b>	<b>(113,411,468)</b>	<b>(73,845,530)</b>	<b>(74,735,914)</b>
<b>Total Liabilities and (Deficit) Surplus of Assets over Liabilities</b>	<b>\$ 4,463,710</b>	<b>\$ 4,586,970</b>	<b>\$ 422,585</b>	<b>\$ 458,388</b>	<b>\$ 43,520,798</b>	<b>\$ 43,828,257</b>	<b>\$ 7,658,088</b>	<b>\$ 6,774,989</b>

**APPENDIX A**

**THE DOMESTIC ESTATES IN LIQUIDATION  
COMBINING SCHEDULES OF ESTATES' LIABILITIES AND (DEFICIT)  
SURPLUS OF ASSETS OVER LIABILITIES - MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2021 AND 2020**

<u>Liabilities</u>	<u>FRONTIER</u>		<u>GROUP COUNCIL</u>		<u>HEALTH REPUBLIC</u>		<u>IDEAL MUTUAL</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Secured Claims	\$ 1,717,443	\$ 1,717,198	\$ -	\$ -	\$ -	\$ -	\$ 292,560	\$ 275,043
Class I - Administrative Claims	1,041,931	998,900	13,431	22,282	156,021	88,960	861,405	1,069,789
Class II - Claims and Related Costs:								
Allowed	153,237,751	150,608,273	250,044,226	244,862,538	217,953,717	217,956,237	236,798,729	262,664,315
Non Allowed	36,361,742	40,837,522	-	5,249,406	-	-	-	22,549,753
IBNR	-	-	-	-	-	-	-	-
Total Class II - Claims and Related Costs	189,599,493	191,445,795	250,044,226	250,111,944	217,953,717	217,956,237	236,798,729	285,214,068
Class III - Federal Government Claims	-	-	-	-	8,795,318	284,039,212	-	-
Class IV - Employee Claims	-	-	4,425	4,425	-	-	-	-
Class V - State and Local Government Claims	10,060,199	10,060,199	23,160	23,160	19,159,690	19,159,690	280,887	280,887
Class VI - General Creditor Claims	22,637,660	22,637,660	56,202,748	56,202,748	6,761,067	5,627,157	54,940,270	54,947,105
Class VII - Late Filed Claims	9	9	-	-	-	-	70,902,912	70,902,912
Class VIII - Section 1307 (Shareholder) Loans	-	-	-	-	246,976,418	246,976,418	-	-
Class IX - Shareholder Claims	10,584	10,584	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>225,067,319</b>	<b>226,870,345</b>	<b>306,287,990</b>	<b>306,364,559</b>	<b>499,802,231</b>	<b>773,847,674</b>	<b>364,076,763</b>	<b>412,689,804</b>
<b>Defined Benefit Pension and Other Post-retirement Plan</b>	<b>3,475,099</b>	<b>3,735,552</b>	<b>-</b>	<b>584,338</b>	<b>697,679</b>	<b>649,010</b>	<b>9,022,607</b>	<b>9,877,248</b>
<b>(Deficit) Surplus of Assets over Liabilities</b>	<b>(190,404,692)</b>	<b>(190,677,819)</b>	<b>(304,781,101)</b>	<b>(305,353,785)</b>	<b>(238,042,947)</b>	<b>(731,402,762)</b>	<b>(360,276,641)</b>	<b>(362,167,204)</b>
<b>Total Liabilities and (Deficit) Surplus of Assets over Liabilities</b>	<b>\$ 38,137,726</b>	<b>\$ 39,928,078</b>	<b>\$ 1,506,889</b>	<b>\$ 1,595,112</b>	<b>\$ 262,456,963</b>	<b>\$ 43,093,922</b>	<b>\$ 12,822,729</b>	<b>\$ 60,399,848</b>

APPENDIX A

**THE DOMESTIC ESTATES IN LIQUIDATION  
COMBINING SCHEDULES OF ESTATES' LIABILITIES AND (DEFICIT)  
SURPLUS OF ASSETS OVER LIABILITIES - MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2021 AND 2020**

<u>Liabilities</u>	<u>INSCORP</u>		<u>MAIDSTONE</u>		<u>MIDLAND</u>		<u>ONE TITLE</u>		<u>PLICA</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Secured Claims	\$ 559,794	\$ 559,766	\$ 531,061	\$ 532,052	\$ 1,013,959	\$ 1,013,896	\$ -	\$ -	\$ 8,436	\$ -
Class I - Administrative Claims	300,866	299,519	150,563	201,693	3,393,001	3,433,315	6,176	-	-	3,858
Class II - Claims and Related Costs:										
Allowed	13,320,642	13,262,222	-	-	1,328,290,161	1,321,226,236	-	-	-	200,000
Non Allowed	2,178,217	1,895,943	36,702,384	33,172,839	50,984,847	70,993,960	80,372	-	-	-
IBNR	-	-	-	-	-	-	-	-	-	-
Total Class II - Claims and Related Costs	15,498,859	15,158,165	36,702,384	33,172,839	1,379,275,008	1,392,220,196	80,372	-	-	200,000
Class III - Federal Government Claims	-	-	289	-	-	-	-	-	-	-
Class IV - Employee Claims	-	-	-	-	-	-	-	-	-	-
Class V - State and Local Government Claims	1,516,794	1,516,794	234,785	234,785	8,317,575	8,317,575	-	-	-	59,395
Class VI - General Creditor Claims	63,723,541	66,836,211	409,872	262,830	96,221,422	96,221,422	6,049	-	-	126,101
Class VII - Late Filed Claims	-	-	-	-	169,550,639	169,550,639	-	-	-	-
Class VIII - Section 1307 (Shareholder) Loans	-	-	-	-	-	-	-	-	-	-
Class IX - Shareholder Claims	107,467,599	107,467,599	-	-	-	-	-	-	-	14,450,575
<b>Total Liabilities</b>	<b>189,067,453</b>	<b>191,838,054</b>	<b>38,028,954</b>	<b>34,404,199</b>	<b>1,657,771,604</b>	<b>1,670,757,043</b>	<b>92,597</b>	<b>-</b>	<b>8,436</b>	<b>14,839,929</b>
<b>Defined Benefit Pension and Other Post-retirement Plan</b>	<b>2,476,538</b>	<b>2,576,100</b>	<b>316,989</b>	<b>184,339</b>	<b>16,159,468</b>	<b>17,884,809</b>	<b>3,864</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(Deficit) Surplus of Assets over Liabilities</b>	<b>(174,389,732)</b>	<b>(176,510,836)</b>	<b>(12,929,393)</b>	<b>(7,574,245)</b>	<b>(1,291,777,177)</b>	<b>(1,292,496,367)</b>	<b>98,071</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and (Deficit) Surplus of Assets over Liabilities</b>	<b>\$ 17,154,259</b>	<b>\$ 17,903,318</b>	<b>\$ 25,416,550</b>	<b>\$ 27,014,293</b>	<b>\$ 382,153,895</b>	<b>\$ 396,145,485</b>	<b>\$ 194,532</b>	<b>\$ -</b>	<b>\$ 8,436</b>	<b>\$ 14,839,929</b>

**APPENDIX A**

**THE DOMESTIC ESTATES IN LIQUIDATION  
COMBINING SCHEDULES OF ESTATES' LIABILITIES AND (DEFICIT)  
SURPLUS OF ASSETS OVER LIABILITIES - MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2021 AND 2020**

<u>Liabilities</u>	<u>QUALITY HEALTH</u>		<u>TOUCHSTONE</u>		<u>UNION INDEMNITY</u>		<u>ESTATE TOTALS</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Secured Claims	\$ -	\$ -	\$ -	\$ -	\$ 3,320,242	\$ 3,319,941	\$ 12,325,500	\$ 12,197,344
Class I - Administrative Claims	27,066	-	43,259	34,247	371,047	362,747	7,941,058	7,880,497
Class II - Claims and Related Costs:								
Allowed	-	-	-	-	177,399,813	177,385,250	2,711,797,444	2,677,361,041
Non Allowed	43,865,143	-	10,284,815	10,284,815	311,109	299,790	653,238,554	594,871,225
IBNR	-	-	-	-	-	-	-	-
Total Class II - Claims and Related Costs	43,865,143	-	10,284,815	10,284,815	177,710,922	177,685,040	3,365,035,998	3,272,232,266
Class III - Federal Government Claims	-	-	-	-	137,245	137,245	63,219,593	338,377,723
Class IV - Employee Claims	250	-	-	-	-	-	9,475	8,025
Class V - State and Local Government Claims	-	-	4,110	4,110	71,337	71,337	52,389,775	52,446,910
Class VI - General Creditor Claims	419,545	-	7,158,996	7,158,996	96,134,819	96,134,819	432,719,925	426,789,180
Class VII - Late Filed Claims	-	-	-	-	68,826,987	68,826,987	309,790,547	309,790,547
Class VIII - Section 1307 (Shareholder) Loans	-	-	10,639,750	10,639,750	-	-	418,007,311	418,007,311
Class IX - Shareholder Claims	-	-	54,653,626	54,653,626	-	-	167,131,810	181,582,385
<b>Total Liabilities</b>	<b>44,312,004</b>	<b>-</b>	<b>82,784,556</b>	<b>82,775,544</b>	<b>346,572,599</b>	<b>346,538,116</b>	<b>4,828,570,992</b>	<b>5,019,312,188</b>
<b>Defined Benefit Pension and Other Post-retirement Plan</b>	<b>27,379</b>	<b>-</b>	<b>207,030</b>	<b>239,589</b>	<b>4,012,307</b>	<b>4,426,387</b>	<b>43,612,101</b>	<b>47,517,646</b>
<b>(Deficit) Surplus of Assets over Liabilities</b>	<b>(41,105,490)</b>	<b>-</b>	<b>(77,665,095)</b>	<b>(77,533,573)</b>	<b>(323,802,293)</b>	<b>(323,958,195)</b>	<b>(3,874,305,016)</b>	<b>(4,215,653,685)</b>
<b>Total Liabilities and (Deficit) Surplus of Assets over Liabilities</b>	<b>\$ 3,233,893</b>	<b>\$ -</b>	<b>\$ 5,326,491</b>	<b>\$ 5,481,560</b>	<b>\$ 26,782,613</b>	<b>\$ 27,006,308</b>	<b>\$ 997,878,077</b>	<b>\$ 851,176,149</b>

APPENDIX A

**THE DOMESTIC ESTATES IN LIQUIDATION  
CASH RECEIPTS AND DISBURSEMENTS AND CHANGES IN CASH, CASH EQUIVALENTS  
AND INVESTED ASSETS (UNRESTRICTED) – MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>AMERICAN MEDICAL</u>		<u>ALLIANCE NATIONAL</u>		<u>ATLANTIC MUTUAL</u>		<u>ATLANTIS HEALTH</u>		<u>CENTENNIAL</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Receipts:</b>										
Net Investment Income Received	\$ 5,859	\$ 17,069	\$ (151)	\$ -	\$ 1,372,391	\$ 1,956,330	\$ 40,518	\$ 44,383	\$ 693,473	\$ 1,014,250
Reinsurance Recovered	-	-	340,678	-	3,857,066	3,095,841	-	-	1,752,900	1,868,115
Premiums Collected	-	-	606,299	-	-	-	-	-	-	-
Salvage and Subrogation Recoveries	-	-	3,459	-	1,287	5,057	-	-	1,497,442	8,232
Expense Reimbursement Received from Security Funds	-	-	-	-	-	-	-	-	-	-
Reimbursement from Central Disbursement Account	-	-	-	-	-	-	-	-	-	-
Release from Statutory Deposits	-	152,221	-	-	-	-	-	-	-	-
Litigation Awards	-	-	-	-	309	-	-	-	57	-
CMS Recoveries	-	-	-	-	-	-	-	-	-	-
Large Deductible	-	-	1,730,100	-	-	-	-	-	-	-
Second Injury Claim Refunds	-	-	1,377,306	-	-	-	-	-	-	-
Transfer from Segregated Accounts	-	-	-	-	-	412,799	-	-	-	-
Pharmacy Receivables	-	1,055	-	-	-	-	-	-	-	-
Miscellaneous	-	-	104,301	-	979	3,095	-	171	-	2,300
<b>Total Receipts</b>	<b>5,859</b>	<b>170,345</b>	<b>4,161,992</b>	<b>-</b>	<b>5,232,032</b>	<b>5,473,122</b>	<b>40,518</b>	<b>44,554</b>	<b>3,943,872</b>	<b>2,892,897</b>
<b>Disbursements:</b>										
Distributions	-	-	-	-	1,258,342	-	-	-	-	-
Transfer to Segregated Accounts	-	-	-	-	-	251,463	-	-	-	-
Loss/Return Premiums	-	-	-	-	-	-	-	-	-	-
Loss Adjustment Expense	-	-	-	-	84,718	14,949	-	-	104,044	51,317
Reimbursement of Allocated Expenses:										
Salaries	35,892	32,475	31,123	-	1,160,160	1,035,170	11,351	7,404	576,269	640,971
Employee Relations & Welfare	20,092	26,258	9,925	-	739,286	675,098	2,982	-	269,380	415,676
Rent and Related Expenses	6,346	8,830	146,398	-	465,241	370,157	-	-	281,743	139,852
Professional Fees	36,329	38,186	158,614	-	507,122	173,546	31,563	2,029	115,685	107,640
General and Administrative Expenses	8,642	8,804	43,747	-	249,392	208,856	293	793	96,596	117,564
Large Deductible	-	-	-	-	-	266,952	-	-	-	-
Salvage and Subrogation Fees	-	-	-	-	-	-	-	-	1,031	334
Miscellaneous	-	582	-	-	-	31,439	-	549	-	16,293
<b>Total Disbursements</b>	<b>107,301</b>	<b>115,135</b>	<b>389,807</b>	<b>-</b>	<b>4,464,261</b>	<b>3,027,630</b>	<b>46,189</b>	<b>10,775</b>	<b>1,444,748</b>	<b>1,489,647</b>
<b>Net Disbursements Over Receipts</b>	<b>(101,442)</b>	<b>55,210</b>	<b>3,772,185</b>	<b>-</b>	<b>767,771</b>	<b>2,445,492</b>	<b>(5,671)</b>	<b>33,779</b>	<b>2,499,124</b>	<b>1,403,250</b>
<b>Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Beginning of Year</b>	<b>1,662,520</b>	<b>1,606,555</b>	<b>-</b>	<b>-</b>	<b>82,215,411</b>	<b>79,114,368</b>	<b>2,948,623</b>	<b>2,886,206</b>	<b>41,576,780</b>	<b>39,767,944</b>
<b>Opening Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Balances of New Estates</b>	<b>-</b>	<b>-</b>	<b>571,701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Unrealized Gain / (Loss) on Investments</b>	<b>(5,752)</b>	<b>755</b>	<b>(12,638)</b>	<b>-</b>	<b>(1,324,471)</b>	<b>655,551</b>	<b>(38,628)</b>	<b>28,638</b>	<b>(758,665)</b>	<b>405,586</b>
<b>Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), End of Period / Year</b>	<b>\$ 1,555,326</b>	<b>\$ 1,662,520</b>	<b>\$ 4,331,248</b>	<b>\$ -</b>	<b>\$81,658,711</b>	<b>\$82,215,411</b>	<b>\$ 2,904,324</b>	<b>\$ 2,948,623</b>	<b>\$ 43,317,239</b>	<b>\$ 41,576,780</b>

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**THE DOMESTIC ESTATES IN LIQUIDATION  
CASH RECEIPTS AND DISBURSEMENTS AND CHANGES IN CASH, CASH EQUIVALENTS  
AND INVESTED ASSETS (UNRESTRICTED) – MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2021 AND 2020**

<u>Receipts:</u>	<u>CUATRO</u>		<u>EVEREADY</u>		<u>FIDUCIARY</u>		<u>FIRST CENTRAL</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Net Investment Income Received	\$ 36,236	\$ 53,588	\$ 6,583	\$ 8,121	\$ 309,645	\$ 628,361	\$ 28,428	\$ 22,178
Reinsurance Recovered	-	-	-	-	1,400,230	94,269	470,587	242,765
Premiums Collected	-	-	-	-	-	-	-	-
Salvage and Subrogation Recoveries	-	-	-	-	76,021	213,742	-	-
Expense Reimbursement Received from Security Funds	-	-	-	-	-	-	-	-
Reimbursement from Central Disbursement Account	-	-	-	-	-	-	-	-
Release from Statutory Deposits	-	-	-	-	-	-	-	-
Litigation Awards	-	-	-	-	79	7,000,000	887	-
CMS Recoveries	-	-	-	-	-	-	-	-
Large Deductible	-	-	-	-	-	-	-	-
Second Injury Claim Refunds	-	-	-	-	-	-	-	-
Transfer from Segregated Accounts	-	-	-	-	-	-	-	-
Pharmacy Receivables	-	16,933	-	-	-	-	-	-
Miscellaneous	5	-	2,741	209	2,617	4,015	-	-
<b>Total Receipts</b>	<b>36,241</b>	<b>70,521</b>	<b>9,324</b>	<b>8,330</b>	<b>1,788,592</b>	<b>7,940,387</b>	<b>499,902</b>	<b>264,943</b>
<u>Disbursements:</u>								
Distributions	-	-	-	-	-	-	-	-
Transfer to Segregated Accounts	-	-	-	-	-	-	-	-
Loss/Return Premiums	-	-	-	-	-	-	-	-
Loss Adjustment Expense	-	-	-	300	-	-	-	-
Reimbursement of Allocated Expenses:								
Salaries	27,720	54,326	4,791	6,063	259,506	235,319	28,948	12,190
Employee Relations & Welfare	25,082	32,911	-	-	165,493	146,170	17,816	10,296
Rent and Related Expenses	7,429	12,344	860	880	114,078	185,179	7,279	3,881
Professional Fees	36,972	33,833	32,192	34,034	90,488	271,248	35,311	36,975
General and Administrative Expenses	6,478	8,519	367	347	106,213	104,945	11,503	4,670
Large Deductible	-	-	-	-	-	-	-	-
Salvage and Subrogation Fees	-	-	-	1,275	-	31,679	-	-
Miscellaneous	-	8,423	-	-	10,047	13,435	-	486
<b>Total Disbursements</b>	<b>103,681</b>	<b>150,356</b>	<b>38,210</b>	<b>42,899</b>	<b>745,825</b>	<b>987,975</b>	<b>100,857</b>	<b>68,498</b>
<b>Net Disbursements Over Receipts</b>	<b>(67,440)</b>	<b>(79,835)</b>	<b>(28,886)</b>	<b>(34,569)</b>	<b>1,042,767</b>	<b>6,952,412</b>	<b>399,045</b>	<b>196,445</b>
<b>Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Beginning of Year</b>	<b>4,544,044</b>	<b>4,608,522</b>	<b>458,388</b>	<b>487,652</b>	<b>41,136,969</b>	<b>33,998,204</b>	<b>2,611,304</b>	<b>2,388,478</b>
<b>Opening Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Balances of New Estates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Unrealized Gain / (Loss) on Investments</b>	<b>(47,374)</b>	<b>15,357</b>	<b>(6,917)</b>	<b>5,305</b>	<b>(303,140)</b>	<b>186,353</b>	<b>(36,446)</b>	<b>26,381</b>
<b>Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), End of Period / Year</b>	<b>\$ 4,429,230</b>	<b>\$ 4,544,044</b>	<b>\$ 422,585</b>	<b>\$ 458,388</b>	<b>\$41,876,596</b>	<b>\$ 41,136,969</b>	<b>\$ 2,973,903</b>	<b>\$ 2,611,304</b>

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**THE DOMESTIC ESTATES IN LIQUIDATION  
CASH RECEIPTS AND DISBURSEMENTS AND CHANGES IN CASH, CASH EQUIVALENTS  
AND INVESTED ASSETS (UNRESTRICTED) – MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>FRONTIER</u>		<u>GROUP COUNCIL</u>		<u>HEALTH REPUBLIC</u>		<u>IDEAL MUTUAL</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Receipts:</b>								
Net Investment Income Received	\$ 327,760	\$ 660,012	\$ 1,206	\$ 23,074	\$ 1,103,341	\$ 1,037,829	\$ 420,892	\$ 447,902
Reinsurance Recovered	129,831	1,989,000	-	-	-	-	6,613,080	87,333
Premiums Collected	11,330	6,473	-	-	-	-	-	-
Salvage and Subrogation Recoveries	4,557	9,924	-	-	-	-	-	-
Expense Reimbursement Received from Security Funds	-	-	-	-	-	-	-	-
Reimbursement from Central Disbursement Account	-	-	-	-	-	-	-	-
Release from Statutory Deposits	118,516	-	-	-	-	-	-	-
Litigation Awards	89	-	-	-	220,838,750	-	149	-
CMS Recoveries	-	-	-	-	-	-	-	-
Large Deductible	-	-	-	-	-	-	-	-
Second Injury Claim Refunds	-	-	-	-	-	-	-	-
Transfer from Segregated Accounts	-	-	-	-	-	-	-	56,892
Pharmacy Receivables	-	-	-	-	-	-	-	-
Miscellaneous	30	30	209	-	-	-	-	-
<b>Total Receipts</b>	<b>592,113</b>	<b>2,665,439</b>	<b>1,415</b>	<b>23,074</b>	<b>221,942,091</b>	<b>1,037,829</b>	<b>7,034,121</b>	<b>592,127</b>
<b>Disbursements:</b>								
Distributions	-	-	-	-	-	-	46,531,466	28,462
Transfer to Segregated Accounts	-	-	-	-	-	-	-	-
Loss/Return Premiums	-	-	-	-	-	-	-	-
Loss Adjustment Expense	20,265	1,221	-	-	-	-	129,270	20,489
Reimbursement of Allocated Expenses:								
Salaries	341,297	349,891	25,677	4,691	342,286	203,800	458,312	621,086
Employee Relations & Welfare	210,416	233,920	17,553	2,781	210,334	134,075	259,249	407,155
Rent and Related Expenses	132,244	136,032	5,693	825	159,231	170,912	95,878	140,245
Professional Fees	73,721	84,080	34,601	35,872	207,437	193,407	87,925	181,444
General and Administrative Expenses	76,267	73,349	5,425	971	103,374	65,196	95,517	105,865
Large Deductible	-	-	-	-	-	-	-	-
Salvage and Subrogation Fees	-	-	-	-	-	-	-	-
Miscellaneous	1,696	10,778	-	361	-	17,153	-	17,659
<b>Total Disbursements</b>	<b>855,906</b>	<b>889,271</b>	<b>88,949</b>	<b>45,501</b>	<b>1,022,662</b>	<b>784,543</b>	<b>47,657,617</b>	<b>1,522,405</b>
<b>Net Disbursements Over Receipts</b>	<b>(263,793)</b>	<b>1,776,168</b>	<b>(87,534)</b>	<b>(22,427)</b>	<b>220,919,429</b>	<b>253,286</b>	<b>(40,623,496)</b>	<b>(930,278)</b>
<b>Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Beginning of Year</b>	<b>35,207,133</b>	<b>33,205,689</b>	<b>1,595,111</b>	<b>1,617,470</b>	<b>42,920,841</b>	<b>41,338,210</b>	<b>49,587,509</b>	<b>50,354,192</b>
<b>Opening Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Balances of New Estates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Unrealized Gain / (Loss) on Investments</b>	<b>(315,769)</b>	<b>225,276</b>	<b>(955)</b>	<b>68</b>	<b>(1,551,406)</b>	<b>1,329,345</b>	<b>(281,076)</b>	<b>163,595</b>
<b>Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), End of Period / Year</b>	<b>\$34,627,571</b>	<b>\$35,207,133</b>	<b>\$ 1,506,622</b>	<b>\$ 1,595,111</b>	<b>\$ 262,288,864</b>	<b>\$ 42,920,841</b>	<b>\$ 8,682,937</b>	<b>\$ 49,587,509</b>



APPENDIX A

**THE DOMESTIC ESTATES IN LIQUIDATION  
CASH RECEIPTS AND DISBURSEMENTS AND CHANGES IN CASH, CASH EQUIVALENTS  
AND INVESTED ASSETS (UNRESTRICTED) – MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2021 AND 2020**

	INSCORP		MAIDSTONE		MIDLAND		ONE TITLE		PLICA	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
<b>Receipts:</b>										
Net Investment Income Received	\$ 148,920	\$ 228,819	\$ 215,185	\$ 303,604	\$ 3,870,754	\$ 8,567,172	\$ -	\$ -	\$ 441	\$ 234,749
Reinsurance Recovered	598,229	1,066,037	-	-	3,624,465	4,326,029	-	-	-	-
Premiums Collected	-	-	-	627,233	-	-	-	-	-	-
Salvage and Subrogation Recoveries	190	164	170,075	614,513	-	-	-	-	-	-
Expense Reimbursement Received from Security Funds	-	-	-	-	-	-	-	-	-	-
Reimbursement from Central Disbursement Account	-	-	-	-	-	-	-	-	-	-
Release from Statutory Deposits	-	-	-	2,039,050	-	-	-	-	-	-
Litigation Awards	263	-	192	-	1,968	-	-	-	25	-
CMS Recoveries	-	-	-	-	-	-	-	-	-	-
Large Deductible	-	-	-	-	-	-	-	-	-	-
Second Injury Claim Refunds	-	-	-	-	-	-	-	-	-	-
Transfer from Segregated Accounts	-	-	1,872,680	-	-	15,080	-	-	-	-
Pharmacy Receivables	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	232,584	232,394	-	-	-	-	-	-
<b>Total Receipts</b>	<b>747,602</b>	<b>1,295,020</b>	<b>2,490,716</b>	<b>3,816,794</b>	<b>7,497,187</b>	<b>12,908,281</b>	<b>-</b>	<b>-</b>	<b>466</b>	<b>234,749</b>
<b>Disbursements:</b>										
Distributions	136,313	8,542	-	-	11,569,010	5,523,502	-	-	14,746,071	-
Transfer to Segregated Accounts	-	-	-	538,605	-	-	35,189	-	-	-
Loss/Return Premiums	-	-	-	77,088	-	-	-	-	-	-
Loss Adjustment Expense	-	-	-	18	-	938,803	-	-	-	-
Reimbursement of Allocated Expenses:										
Salaries	526,742	456,004	477,873	603,404	881,883	1,088,951	22,087	-	12,334	35,895
Employee Relations & Welfare	312,141	301,360	144,791	583,124	499,732	694,170	327	-	8,202	23,670
Rent and Related Expenses	110,719	94,492	331,404	580,133	171,156	239,064	7,326	-	3,313	7,827
Professional Fees	69,382	84,594	252,430	729,488	429,880	671,405	5,188	-	39,319	50,942
General and Administrative Expenses	102,563	82,920	70,552	275,824	174,909	193,383	3,092	-	3,241	9,312
Large Deductible	-	-	-	-	-	-	-	-	27,792	-
Salvage and Subrogation Fees	-	-	434,657	79,576	-	-	-	-	-	-
Miscellaneous	-	6,184	-	26,115	-	93,179	74	-	-	3,262
<b>Total Disbursements</b>	<b>1,257,860</b>	<b>1,034,096</b>	<b>1,711,707</b>	<b>3,493,375</b>	<b>13,726,570</b>	<b>9,442,457</b>	<b>73,283</b>	<b>-</b>	<b>14,840,272</b>	<b>130,908</b>
<b>Net Disbursements Over Receipts</b>	<b>(510,258)</b>	<b>260,924</b>	<b>779,009</b>	<b>323,419</b>	<b>(6,229,383)</b>	<b>3,465,824</b>	<b>(73,283)</b>	<b>-</b>	<b>(14,839,806)</b>	<b>103,841</b>
<b>Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Beginning of Year</b>	<b>14,702,988</b>	<b>14,356,188</b>	<b>23,345,042</b>	<b>-</b>	<b>380,475,431</b>	<b>375,197,291</b>	<b>-</b>	<b>-</b>	<b>14,839,806</b>	<b>14,750,388</b>
<b>Opening Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Balances of New Estates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,944,932</b>	<b>-</b>	<b>-</b>	<b>232,626</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Unrealized Gain / (Loss) on Investments</b>	<b>(200,149)</b>	<b>85,876</b>	<b>(150,479)</b>	<b>76,691</b>	<b>(4,148,261)</b>	<b>1,812,316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,423)</b>
<b>Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), End of Period / Year</b>	<b>\$ 13,992,581</b>	<b>\$ 14,702,988</b>	<b>\$ 23,973,572</b>	<b>\$ 23,345,042</b>	<b>\$ 370,097,787</b>	<b>\$ 380,475,431</b>	<b>\$ 159,343</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,839,806</b>

APPENDIX A

**THE DOMESTIC ESTATES IN LIQUIDATION  
CASH RECEIPTS AND DISBURSEMENTS AND CHANGES IN CASH, CASH EQUIVALENTS  
AND INVESTED ASSETS (UNRESTRICTED) – MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>QUALITY HEALTH</u>		<u>TOUCHSTONE</u>		<u>UNION INDEMNITY</u>		<u>ESTATE TOTALS</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Receipts:</b>								
Net Investment Income Received	\$ (209)	\$ -	\$ 78,971	\$ 102,598	\$ 218,980	\$ 396,366	\$ 8,879,223	\$ 15,746,405
Reinsurance Recovered	-	-	-	-	-	-	18,787,066	12,769,389
Premiums Collected	-	-	-	-	-	-	617,629	633,706
Salvage and Subrogation Recoveries	-	-	-	-	-	-	1,753,031	851,632
Expense Reimbursement Received from Security Funds	-	-	-	-	-	-	-	-
Reimbursement from Central Disbursement Account	-	-	-	-	-	-	-	-
Release from Statutory Deposits	-	-	-	-	-	-	118,516	2,191,271
Litigation Awards	-	-	142	-	92	-	220,843,002	7,000,000
CMS Recoveries	-	-	-	-	-	-	-	-
Large Deductible	-	-	-	-	-	-	1,730,100	-
Second Injury Claim Refunds	-	-	-	-	-	-	1,377,306	-
Transfer from Segregated Accounts	-	-	-	-	-	25,899	1,872,680	510,670
Pharmacy Receivables	-	-	-	-	-	-	-	17,988
Miscellaneous	15,790	-	623	1,619	-	-	359,879	243,833
<b>Total Receipts</b>	<b>15,581</b>	<b>-</b>	<b>79,736</b>	<b>104,217</b>	<b>219,072</b>	<b>422,265</b>	<b>256,338,432</b>	<b>39,964,894</b>
<b>Disbursements:</b>								
Distributions	-	-	-	-	7,012	1,886	74,248,214	5,562,392
Transfer to Segregated Accounts	-	-	-	-	-	-	35,189	790,068
Loss/Return Premiums	-	-	-	-	-	-	-	77,088
Loss Adjustment Expense	-	-	-	-	-	-	338,297	1,027,097
Reimbursement of Allocated Expenses:							-	-
Salaries	80,738	-	4,879	199,783	74,407	69,435	5,384,275	5,656,858
Employee Relations & Welfare	-	-	2,751	128,554	50,196	47,356	2,965,748	3,862,574
Rent and Related Expenses	129,069	-	83,080	198,560	15,785	13,981	2,274,272	2,303,194
Professional Fees	193,110	-	39,306	48,868	51,834	56,083	2,528,409	2,833,674
General and Administrative Expenses	79,078	-	1,536	32,104	17,558	12,825	1,256,343	1,306,247
Large Deductible	-	-	-	-	-	-	27,792	266,952
Salvage and Subrogation Fees	-	-	-	-	-	-	435,688	112,864
Miscellaneous	-	-	-	4,305	-	5,695	11,817	255,898
<b>Total Disbursements</b>	<b>481,995</b>	<b>-</b>	<b>131,552</b>	<b>612,174</b>	<b>216,792</b>	<b>207,261</b>	<b>89,506,044</b>	<b>24,054,906</b>
<b>Net Disbursements Over Receipts</b>	<b>(466,414)</b>	<b>-</b>	<b>(51,816)</b>	<b>(507,957)</b>	<b>2,280</b>	<b>215,004</b>	<b>166,832,388</b>	<b>15,909,988</b>
<b>Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>5,455,823</b>	<b>5,902,324</b>	<b>23,427,127</b>	<b>23,057,539</b>	<b>768,710,850</b>	<b>724,637,220</b>
<b>Opening Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), Balances of New Estates</b>	<b>1,363,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,167,538</b>	<b>22,944,932</b>
<b>Change in Unrealized Gain / (Loss) on Investments</b>	<b>(4,141)</b>	<b>-</b>	<b>(88,160)</b>	<b>61,456</b>	<b>(220,296)</b>	<b>154,584</b>	<b>(9,494,723)</b>	<b>5,218,710</b>
<b>Cash, Cash Equivalents, Investments and Invested Assets (Unrestricted), End of Period / Year</b>	<b>\$ 892,656</b>	<b>\$ -</b>	<b>\$ 5,315,847</b>	<b>\$ 5,455,823</b>	<b>\$ 23,209,111</b>	<b>\$ 23,427,127</b>	<b>\$ 928,216,053</b>	<b>\$ 768,710,850</b>