

**NYC | Health + Hospitals
HHC Insurance Company, Inc.
HHC Physicians Purchasing Group, Inc.**

ANNUAL MEETING OF THE DIRECTORS

**November 1, 2021
10:00 a.m. Eastern Standard Time
50 Water Street, 15th Floor
New York, NY**

Virtual Meeting for the Public



HHC Insurance Company, Inc.

Agenda for the Annual Meeting of the Directors

November 1, 2021

50 Water Street, 15th Floor, New York, N.Y.

Virtual Meeting for the Public

**Current
Directors &
Officers** Mitchell Katz, M.D.
Andrea Cohen
John Ulberg, Jr.
Machelle Allen, M.D.
Vincent Calamia, M.D.

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The following agenda items will be discussed, and appropriate action will be taken:

- Appointment of chairperson and declaration of quorum
- Approval of prior year meeting minutes and any other actions since that date 7
- Election of Officers for the ensuing year
- Acceptance of Executive Director and Director of Claims
- Issue primary coverage to the members of HHC Physicians Purchasing Group, Inc.
- Appointment of the independent auditor and loss reserve specialist for the year ending December 31, 2021
- Review and approval of Intercompany Loan to Parent 9
- Approval of Audited December 31, 2020 Financial Statements 10
- Approval of Business Continuity Plan 23
- Approval of Disaster Response Plan 30
- Informational items
 - Insurance applications and coverage provided
 - Medical Malpractice Insurance Pool Update 37
 - Review of September 30, 2021 Financial Statements 39
 - Review of Underwriting Results 47
 - Business Plan Update 48
 - Regulatory Compliance Checklist 49
 - Other Business



November 2021

HHC Insurance Company (HHCIC)
A subsidiary of NYC Health + Hospitals
50 Water Street • 15th Floor • New York, NY 10004
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NOTICE IS HEREBY GIVEN THAT THE HHC INSURANCE COMPANY, INC. AND THE HHC PHYSICIANS PURCHASING GROUP, INC. WILL HOLD THEIR ANNUAL MEETINGS ON MONDAY, NOVEMBER 01, 2021.

THE MEETING OF HHC INSURANCE COMPANY WILL START AT 1:00 PM. THE MEETING OF THE PURCHASING GROUP WILL IMMEDIATELY FOLLOW.

DUE TO COVID-19 AND PUBLIC GATHERING RESTRICTIONS, THESE WILL BE VIRTUAL MEETINGS – LINKS WILL BE POSTED ON THE PUBLIC WEBSITE

(<https://www.nychealthandhospitals.org/public-meetings-notices/>)

RESOLUTION:

Authorizing the Board of Directors of the HHC Insurance Company, Inc. to appoint the officers, confirm the re-appointment of the Board of Directors and to appoint the chairman of the Board of Directors of the HHC Insurance Company, Inc., approve the minutes of its meetings of November 5, 2020, issue primary coverage to the members of the HHC Physicians Purchasing Group, Inc., appoint the company’s auditor, appoint the company’s actuary, lend funds to the parent company and approve the 2020 audited financial statements.

WHEREAS, the Board of Directors of the NYC Health + Hospitals (“health care system”) has authorized the President of the health care system to seek the incorporation of the HHC Insurance Company, Inc. as a wholly-owned subsidiary corporation by the New York Secretary of State and to seek the licensure of the HHC Insurance Company, Inc. as a captive insurance company in the State of New York; and

WHEREAS, the Board of Directors of the health care system has authorized the President of the health care system to commence operations of the HHC Insurance Company, Inc. after incorporation and licensure as a captive insurance company by the State of New York; and

WHEREAS, the Board of Directors of the health care system has reserved the right to approve the Bylaws of the HHC Insurance Company, Inc. and to appoint the directors of the HHC Insurance Company, Inc.; and

WHEREAS, the Board of Directors of the health care system has approved the Bylaws of the HHC Insurance Company, Inc. and appointed the directors of the HHC Insurance Company, Inc.; and

WHEREAS, the HHC Insurance Company, Inc. has been incorporated as a wholly-owned subsidiary corporation of the health care system by the Secretary of State of the State of New York; and

WHEREAS, the HHC Insurance Company, Inc. has been licensed by the New York State Department of Insurance upon the request of the officers of the HHC Insurance Company, Inc.

NOW, THEREFORE, Be It

RESOLVED, that the current Board has been re-appointed and that Vincent Calamia, M.D. shall serve as the Chairman of the Board of Directors of the Company;

AND FURTHER RESOLVED, that the minutes of the November 5, 2020 meeting of the HHC Insurance Company, Inc. are hereby approved;

AND FURTHER RESOLVED, that the following shall serve as officers of the HHC Insurance Company, Inc.:

Vincent Calamia, M.D.
Machelle Allen, M.D.
Andrea G. Cohen
John Ulberg, Jr.

President
Vice-President
Secretary
Treasurer

AND FURTHER RESOLVED, that David Cheung shall serve as Executive Director of the Company;

AND FURTHER RESOLVED, that Mary Boland shall serve as Director of Claims for the Company;

AND FURTHER RESOLVED, that the Company may issue primary coverage to the members of the HHC Physicians Purchasing Group, Inc. in the amounts of \$1.3 million per occurrence / \$3.9 million in the aggregate effective January 1, 2006 through December 31, 2022

AND FURTHER RESOLVED, that Jo Ellen Cockley of Aon Global Risk Consulting shall be appointed actuary of the Company;

AND FURTHER RESOLVED, that Dana Wilson of Grant Thornton LLP shall be appointed auditor of the Company;

AND FURTHER RESOLVED, that premium in the amount of up to \$3.0 million deposited to the benefit of the Company by the health care system and held in reserve for the payment of claims with the exception of any amounts required for payment of any outstanding claims against the Company;

AND FURTHER RESOLVED, that the audited financial statements as of December 31, 2020 are accepted.

AND FURTHER RESOLVED, that the business continuity plan of the Company is accepted.

AND FURTHER RESOLVED, that the disaster response plan of the Company is accepted.

Other Business/Information Items:

1) New applications for coverage have been received from 13 Obstetrician/Gynecologists and Neurosurgeons. As of 9/30/21, there are 291 active physicians in the program. Primary policies for the current policy year have been issued by the Company. Applications for excess coverage through MMIP were filed for 256 Health + Hospitals physicians, beginning July 1, 2020. Of the 256 excess applications filed, all doctors have been deemed eligible to receive excess coverage through the Pool. It was determined during the application process that 42 physicians already were covered by the Pool for excess coverage through other hospitals/carriers. There are 13 doctors that are awaiting excess coverage through the Pool because final numbers have not been determined.

- 2) The Company was required to sign up as a Plan or Pool participant of the Medical Malpractice Insurance Pool in 2007. The Company, like all other New York Insurance Companies providing Medical Malpractice coverage, opted to be a Pool participant. The September 30, 2021 session statement from the Pool indicates that the Company has a net equity in the Pool of \$1,788,121. Pages 37 and 38 further detail the Company's Pool participation.
- 3) Review the September 30, 2021 interim financial statements. Refer to Page 39.
- 4) Sedgwick has reported 87 open files and 549 closed files for the underwriting years 2005 through 2021. Of the closed files, 41 were closed with payment and 508 files were closed without payment. Refer to Page 47 for further details by individual underwriting year.
- 5) Refer to Page 48 for a summary of requests either approved or pending approval from the New York Department of Insurance.
- 6) All Regulatory matters are current. Refer to Page 49 for details.
- 7) Additional new business matters will be discussed at the discretion of the Board.

MINUTES OF ANNUAL MEETING OF HHC INSURANCE COMPANY, INC.

A meeting of the Board of Directors of the HHC Insurance company, (hereinafter, the “HHCIC”) was held in the Board Room – Room 532 located at 125 Worth Street, New York, New York 10013 on the 5th day of November 2020 at 01:00 PM EST, pursuant to a notice which was sent to all the Directors of the Company and which was provided to the public by the Corporate Secretary of the NYC Health + Hospitals. The meeting had virtual access with the link posted on the internet site. The following Directors were present in person/virtually, constituting a quorum:

Mitchell Katz, M.D. (virtually) John Ulberg, Jr. (virtually)
Andrea Cohen, Esq. (virtually) Mabelle Allen, M.D. (in boardroom)

Dr. Vincent Calamia was unable to attend. Also present were Executive Director David Cheung (virtually), Director of Claims Mary B. Boland, NYC H+H board member Frida Wang (virtually); James Linhart (virtually). Nancy Gray and Daniel Scott of Aon Insurance Managers (AIM) attended virtually. Dr. Mabelle Allen chaired the meeting and the minutes were taken by Mary Boland.

The meeting was called to order at 01:35 PM by Dr. Allen. At her request, David Cheung provided a brief overview of both subsidiary companies including the formation and history of the captive insurance company and the physicians purchasing group. The excess insurance pool was explained, including the extent of the excess policy coverage (claims made). The regulatory requirements of the Department of Financial Services for captive insurance companies were briefly reviewed.

The following resolutions were presented to the Board by Dr. Allen:

- (1) The minutes of the November 7, 2019 Annual Meeting of the Board were reviewed. A motion to approve the amended minutes was made by Dr. Katz, seconded by Ms. Cohen and approved unanimously.
- (2) The following were unanimously approved following a motion to approve made by Dr. Katz, seconded by Ms. Cohen:
 - the re-appointments of Dr. Vincent Calamia, Dr. Mitchell Katz, Andrea Cohen, Esq., Dr. Mabelle Allen and John Ulberg, Jr. as members of the Board of Directors.
 - the appointment of Dr. Vincent Calamia as Chairman of the Board. A motion to approve was made by Dr. Katz, seconded by Ms. Cohen and approved unanimously
 - the Election of the following Officers for the HHC Insurance Company, Inc.:

Vincent Calamia, M.D.	President
Mabelle Allen, M.D.	Vice-President
Andrea Cohen, Esq.	Secretary
John Ulberg, Jr.	Treasurer

Dr. Allen introduced seven action items/resolutions into the record. Then on motion by Dr. Katz, seconded by Ms. Cohen, the following resolutions were approved unanimously by the Board:

- A) David C. Cheung was re-appointed to as the Executive Director of the Company.
- B) Mary B. Boland was re-appointed Director of Claims of the Company.
- C) The issuance of primary insurance policies to members of the HHC Physicians Purchasing Group.
- D) The appointment of Dana Wilson of Grant Thornton as the Company's auditor.
- E) The re-appointment of Jo Ellen Cockley of Aon Risk Consultants as the Actuary of the Company.
- F) The loan back of premium in an amount up to \$3.0 million to the parent corporation, the NYC Health + Hospitals (the System), was approved.
- G) The approval of the Audited Financial Statements as of December 31, 2019 was delayed until after the presentation and review of the unaudited financial statements for 2020. There were no questions from the members following the presentation by Daniel Scott and the 2019 statements were approved unanimously.

Daniel Scott presented the following seven (7) information items:

- (1) New applications for coverage have been received from 27 Obstetricians/Gynecologists and Neurosurgeons. As of 9/30/2020, there are 312 active physicians in the program. Primary policies have been issued for the current policy year. Applications for excess coverage through MMIP beginning July 1, 2020 were filed for 251 H+H physicians through the Purchasing Group with 230 physicians deemed eligible to receive excess coverage. It was determined during the application process that 53 physicians already had excess coverage under the Plan through other hospitals. Twenty-seven physicians have been wait-listed for excess coverage. Once the final number of physicians in the pool has been determined, these additional excess policies will be issued and will be retroactive to the application date.
- (2) In 2007, the Company was required to sign up as a Plan or Pool participant of the Medical Malpractice Insurance Pool. The Company opted to be a Pool participant. The September 30, 2020 cession statement from the Pool indicates that the Company has a net equity in the Pool of \$1,720,212.
- (3) The September 30, 2020 interim financial statements were reviewed. As of September 30, 2020, HHC Insurance Company has total assets of \$95,501,104. Of that balance, there's an intercompany receivable of \$90,625,173. There is a premium receivable of \$1.7 million which would be cleared before year-end, and rolled into the intercompany loan receivables. There is an MMIP receivable of \$3,173,746. The total liabilities, as of 9/30, are \$13,692,558. A large component of the liabilities is the outstanding loss in LAE (expense) reserves as well as the reserves for IBNR (incurred but not reported loss). The total net assets, as of 9/30, is \$81,808,546 which is an increase of \$76,126 from 2019.
- (4) The Business Continuity Plan (BCP) was provided to the members prior to the meeting. They were advised that it is the BCP implemented by the System with an effective date of March 2020. It is reviewed annually.
- (5) Sedgwick CMS has reported 90 open files and 526 closed files for the underwriting years 2005-2020. Of the closed files, 41 were closed with payment and 485 files were closed without payment.
- (6) The company business plan has been approved by the Department of Financial Services (DFS). All Regulatory matters are current. The next examination of the company by the DFS will take place in 2021. Dr. Allen asked a question about the DFS COVID-19 inquiries. She was advised by Daniel Scott and Nancy Gray that these inquiries were sent to all insurance companies and referred to the management of health and other insurance policies in relationship to premiums and coverage. Dan Scott will provide Mary Boland with a copy of the responses sent by the HHCIC to the DFS in regard to the captive's handling of their policies.
- (7) There are no outstanding requests or approvals pending from the Department of Financial Services.

No additional new business matters were brought up.

ADJOURNMENT:

There being no further business before the Board, the meeting was adjourned at 2:00 PM EST.

Mary B. Boland

Date: November 12, 2020

HHC Insurance Company

Intercompany Loan

November 1, 2021

December 31, 2020 Balance	\$ 92,025,173
Proposed Increase – Premium Receivable	<u>\$ 3,000,000 *</u>
Proposed December 31, 2020 Balance	\$ 95,025,173 **

* NYCHHC would pay HHCIC premium receivable due from NYCHHC of up to \$3,000,000 related to the 2021 underwriting year. In turn, HHCIC would loan back this amount given approval by the Board of Directors.

** State of New York Insurance Department has approved a loan back to NYCHHC of up to \$103,000,000 but denied a request for further increase during 2017.

Financial Statements and Report of
Independent Certified Public
Accountants

**HHC Insurance Company, Inc. (A Blended
Component Unit of New York City Health and
Hospitals Corporation)**

December 31, 2020 and 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Shareholders of
HHC Insurance Company, Inc.

We have audited the accompanying statutory financial statements of HHC Insurance Company, Inc. (the “Company”), which comprise the statutory statements of admitted assets, liabilities, and surplus as of December 31, 2020 and 2019, and the related statutory statements of operations and changes in surplus and cash flows for the years then ended, and the related notes to the statutory financial statements.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these statutory financial statements in accordance with accounting practices prescribed or permitted by the New York State Department of Financial Services. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and the fair presentation of statutory financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

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

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

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

Basis for adverse opinion on generally accepted accounting principles

As described in Note 2 to the statutory financial statements, the statutory financial statements are prepared by HHC Insurance Company, Inc. on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the statutory financial statements of the variances between the statutory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse opinion

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on Generally Accepted Accounting Principles paragraph, the statutory financial statements referred to above do not present fairly the financial position of HHC Insurance Company, Inc. as of December 31, 2020 and 2019, or the results of its operations or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion on regulatory basis of accounting

In our opinion, the statutory financial statements referred to above present fairly, in all material respects, the financial position of HHC Insurance Company, Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with the accounting practices prescribed and permitted by the New York State Department of Financial Services described in Note 2.



Hartford, Connecticut
July 1, 2021

HHC Insurance Company, Inc.
(A Blended Component Unit of New York City Health and Hospitals Corporation)

STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS

As of December 31, 2020 and 2019

	2020	2019
ADMITTED ASSETS		
Intercompany loan	\$ 92,025,173	\$ 90,625,173
Due from MMIP	3,186,356	3,111,824
Accounts receivable	3,929	5,433
Total admitted assets	\$ 95,215,458	\$ 93,742,430
LIABILITIES AND SURPLUS		
Outstanding losses and loss adjustment expenses	\$ 8,351,719	\$ 10,541,514
Premium deficiency reserve	1,900	2,221
Claims payable	-	75,000
Unearned premium	40,618	40,887
Due to parent	1,668,912	1,283,690
Accounts payable and accrued expense	78,879	66,697
Total liabilities	10,142,028	12,010,009
Unassigned surplus	85,073,430	81,732,421
Total liabilities and surplus	\$ 95,215,458	\$ 93,742,430

The accompanying notes are an integral part of these statutory financial statements.

HHC Insurance Company, Inc.
(A Blended Component Unit of New York City Health and Hospitals Corporation)

STATUTORY STATEMENTS OF OPERATIONS AND CHANGES IN SURPLUS

For the years ended December 31, 2020 and 2019

	2020	2019
Underwriting income		
Net premiums earned	\$ 1,475,236	\$ 1,778,141
Net investment income	124,223	105,577
Total underwriting income	1,599,459	1,883,718
Underwriting expenses		
Losses and loss adjustment expenses incurred	(1,998,513)	459,532
Change in premium deficiency reserve	(321)	(1,542)
Net underwriting income	3,598,293	1,425,728
Administrative expenses	(257,284)	(217,768)
Net income	3,341,009	1,207,960
Unassigned surplus at beginning of year	81,732,421	80,524,461
Unassigned surplus at end of year	\$ 85,073,430	\$ 81,732,421

The accompanying notes are an integral part of these statutory financial statements.

HHC Insurance Company, Inc.
(A Blended Component Unit of New York City Health and Hospitals Corporation)

STATUTORY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operations		
Amounts received from Parent for payment of losses	\$ 148,000	\$ 699,935
Losses paid	(148,000)	(699,935)
Net cash from operations	-	-
Net change in cash	-	-
Cash at beginning of year	-	-
Cash at end of year	\$ -	\$ -
Noncash operating activities:		
Premiums collected	\$ 1,400,000	\$ 1,700,000
Administrative expenses paid	(237,222)	(189,269)
Payments by Parent on behalf of Company	237,222	189,269
Noncash investing activities:		
Increase in loans to Parent	\$ (1,400,000)	\$ (1,700,000)

The accompanying notes are an integral part of these statutory financial statements.

HHC Insurance Company, Inc.
(A Blended Component Unit of New York City Health and Hospitals Corporation)

NOTES TO STATUTORY FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 - GENERAL

HHC Insurance Company, Inc. (the “Company”) is a blended component unit of the New York City Health and Hospitals Corporation (“NYC H+H” or “Parent”). The Company is a pure captive insurance company incorporated as a mutual insurer; NYC H+H is the sole member. The Company obtained its operating license from the New York State Department of Financial Services (“NYSDFS”) on December 15, 2004, and commenced operations on January 1, 2005. The Company is organized as a public benefit corporation. The Company underwrites medical malpractice insurance on behalf of NYC H+H’s attending physicians practicing in the areas of Neurosurgery, Obstetrics, and Gynecology. The Company provides NYC H+H and its insured attending physicians with indemnity insurance coverage on a claim made basis for the first \$1.3 million per incident and \$3.9 million in the aggregate on each claim. With the existence of this insurance coverage, the insured is able to access \$1.0 million per incident and \$3.0 million in the aggregate of excess insurance coverage provided by the New York State Excess Liability Pool (“State Pool”) for each claim greater than \$1.3 million per incident and \$3.9 million in the aggregate. NYC H+H provides the insured with indemnification for each claim greater than \$2.3 million per incident or \$6.9 million in the aggregate. The Company, as a blended component unit of NYC H+H, is included in the financial statements of NYC H+H.

The Company participates in the Medical Malpractice Insurance Pool of New York (the “MMIP”). The MMIP operates as a medical malpractice insurance pool (the “pool”), which was created by all authorized insurers writing medical malpractice insurance in New York as an alternative to receiving direct assignments of eligible health care providers through the MMIP. In the pool, each participating insurer is liable for each risk in an amount equal to the premiums it writes in the medical malpractice insurance market. The members of the MMIP are all the licensed medical malpractice carriers in New York State. The Company recognizes its allocable share of the activities of the MMIP of 0.22% and 0.21% for the MMIP’s 2020 and 2019 underwriting years, respectively.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying statutory financial statements of the Company have been prepared in conformity with accounting principles prescribed or permitted by NYSDFS. Such practices vary from U.S. generally accepted accounting principles (“U.S. GAAP”). The effects of these variances on the accompanying statutory financial statements have not been determined but are presumed to be material to the presentation of these financial statements.

NYSDFS recognizes statutory accounting principles (“SAP”) prescribed or permitted by the State of New York for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures Manual (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State of New York. There are no differences between SAP and NAIC SAP that impact the Company.

Significant differences between SAP and U.S. GAAP as they apply to the Company are as follows.

- Under U.S. GAAP, successful policy acquisition costs are deferred and amortized as the related premiums are earned. For statutory purposes, policy acquisition costs are expensed as incurred.
- Certain assets such as prepaid expenses and past due receivables are non-admitted for statutory purposes while they qualify as assets under U.S. GAAP.
- The statement of cash flows differs in certain respects from the presentation required by U.S. GAAP as the reconciliation of net income to net cash provided by operations is not presented.

HHC Insurance Company, Inc.
(A Blended Component Unit of New York City Health and Hospitals Corporation)

NOTES TO STATUTORY FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

- Under U.S. GAAP, the loan to NYC H+H (the Parent) would be reported as an offset to equity to the extent it was used to capitalize the Company. The intercompany loan is reflected as a receivable for statutory reporting.

Use of Estimates

The preparation of statutory financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Intercompany Loan

The Company writes premiums with NYC H+H related to indemnity insurance coverage. The premiums are loaned back to NYC H+H with the consent of NYSDFS. The Company received approval from NYSDFS on October 14, 2016 to increase the loan to NYC H+H up to \$103.0 million. NYC H+H is required to pay the funds back within twenty-four hours of demand request from the Company.

The Company initiated formal written non-interest-bearing promissory demand notes with NYC H+H in the amounts of \$92.0 million and \$90.6 million effective December 31, 2020 and 2019, respectively, thereby increasing the balance due from NYC H+H.

Due from MMIP

Effective July 1, 2007, the Company began participation in the MMIP. Members of the MMIP participate in its writings, expenses, servicing allowance, management fees, and losses in the proportion that the net direct medical malpractice premiums of each such member written during the preceding calendar year bears to the aggregate net direct medical malpractice premiums written in New York State by all members.

The MMIP has entered into a management agreement with a servicing company. The servicing company is responsible for, among other things, collecting premiums on behalf of the members and paying claims under the policies. All such premiums are deposited in an account in the name of the MMIP (the "Working Fund Account"). The servicing company pays all claims out of the amount on deposit in the Working Fund Account. Losses or expenses that exceed the balance in the Working Fund Account are required to be paid by the members in accordance with their participation percentages. Since the Company's effective participation date, there have been no losses or expenses that exceeded the Working Fund Account; accordingly, the Company has not made any payments to the MMIP. Refer to Note 3 for further detail about the MMIP activity.

Due from (to) Parent

All receipts (payments) of the Company are made by the Parent and charged back to the Company through the Due from (to) Parent account. Refer to Note 4.

Outstanding Losses and Loss Adjustment Expenses

Outstanding reserves for losses and loss adjustment expenses are estimates of the ultimate cost of reported claims incurred and unpaid. Case reserves are recorded when reported by NYC H+H and claims handlers to the Company. A claim is considered made when the physician requests representation in a lawsuit. Outstanding reserves for losses and loss adjustment expenses are based on expected trends in claim severity, frequency and other factors, which may vary significantly as claims are settled. Accordingly, the Company has engaged an independent actuary to estimate the liability reported.

HHC Insurance Company, Inc.
(A Blended Component Unit of New York City Health and Hospitals Corporation)

NOTES TO STATUTORY FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The unpaid liabilities include case reserves and estimated development on known claims, which is also referred to as incurred but not enough reported ("IBNER") reserve. The IBNER reserve is calculated as the difference between the estimated ultimate value of the subject claims and the aggregate value at which the subject claims are currently reserved. Since coverage is provided on a claim made basis, there is no need to estimate the ultimate value of claims that have been incurred but not reported (true IBNR) as of the valuation date.

Outstanding reserves for losses and loss adjustment expenses are continually reviewed and modified to reflect current conditions. The actual incurred losses and loss adjustment expenses may vary significantly from the estimated amounts included in the accompanying financial statements. Although it is not possible to measure the degree of variability inherent in such estimates, management believes the outstanding reserves for losses and loss adjustment expenses are adequate. Necessary adjustments are reflected in operations in the period in which estimates are revised.

Premium Deficiency

The Company recognizes premium deficiencies when there is a probable loss on an insurance contract. Premium deficiencies are recognized if the sum of expected losses and loss adjustment expenses, expected dividends to the stockholder, and maintenance costs exceed unearned premiums and anticipated investment income. Premium deficiencies of \$1,900 and \$2,221 were recognized in 2020 and 2019, respectively, as a result of the MMIP activity.

Premiums

Premiums written are accrued for and earned on a daily pro rata basis over the terms of the policies to which they relate. Unearned premium as of December 31, 2020 and 2019 amounted to \$40,618 and \$40,887, respectively. All unearned premium at December 31, 2020 and 2019 is related to the MMIP business.

Taxes

The Company is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As a New York domiciled captive insurance company, the Company pays premium tax instead of State income tax. Accordingly, no provision for federal and State income taxes has been made in the accompanying financial statements. Premium taxes are accrued and paid quarterly. Refer to Note 2, Administrative Expenses for further details on premium taxes.

The Company believes it has adequately provided for all tax positions.

Administrative Expenses

The Company incurs premium taxes as a result of writing insurance in the State of New York. These costs are expensed as incurred. The Company incurred premium taxes of \$5,768 in 2020 and \$6,961 in 2019. The Company incurred New York Section 206 assessment fees of \$8,728 in 2020 and \$7,146 in 2019. The Company also incurred underwriting expenses as a result of participating in the MMIP of \$6,376 in 2020 and \$7,231 in 2019. Other administrative expenses include letter of credit fees, audit, actuarial, captive management and consulting service fees of \$236,412 in 2020 and \$196,430 in 2019. Total administrative expenses incurred totaled \$257,284 in 2020 and \$217,768 in 2019.

HHC Insurance Company, Inc.
(A Blended Component Unit of New York City Health and Hospitals Corporation)

NOTES TO STATUTORY FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 3 - MMIP ACTIVITY

The Company recognized its proportionate share of the MMIP's activities in the accompanying financial statements as follows:

	2020	2019
Admitted assets:		
Due from MMIP	\$ 3,186,356	\$ 3,111,824
Total admitted assets	\$ 3,186,356	\$ 3,111,824
Liabilities:		
Reserve for losses and loss adjustment expenses	\$ 1,477,911	\$ 1,568,544
Premium deficiency reserve	1,900	2,221
Unearned premiums reserves	40,618	40,887
Total liabilities	1,520,429	1,611,652
Accumulated surplus:	1,665,927	1,500,172
Total liabilities and accumulated surplus	\$ 3,186,356	\$ 3,111,824
	2020	2019
Premiums written	\$ 74,967	\$ 71,632
Change in unearned premium reserves	269	6,509
Total underwriting income	75,236	78,141
Underwriting expenses	33,704	(244,507)
Net underwriting income	41,532	322,648
Net investment income	124,224	105,577
Net income	\$ 165,756	\$ 428,225

NOTE 4 - DUE TO PARENT ACTIVITY

The following table summarizes payments made by the Parent on behalf of the Company for the years ended December 31:

	2020	2019
Balance as of January 1	\$ (1,283,690)	\$ (394,486)
Administrative expenses paid	(237,222)	(189,269)
Losses paid	(148,000)	(699,935)
Balance as of December 31	\$ (1,668,912)	\$ (1,283,690)

HHC Insurance Company, Inc.
(A Blended Component Unit of New York City Health and Hospitals Corporation)

NOTES TO STATUTORY FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 5 - OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES

The summary of changes in outstanding losses and loss adjustment expenses for 2020 and 2019 are as follows:

	2020	2019
Balance as at January 1	\$ 10,541,514	\$ 10,231,845
Incurred losses related to		
Current year	1,439,554	1,737,507
Prior year	(3,438,067)	(1,277,975)
Total incurred	(1,998,513)	459,532
Paid losses related to		
Current year	(117)	(20)
Prior year	(191,165)	(149,843)
Total paid	(191,282)	(149,863)
Balance as at December 31	\$ 8,351,719	\$ 10,541,514

The gross provision for insured events of prior years decreased by \$3,438,067 and \$1,277,975 in 2020 and 2019, respectively, due to favorable loss development. The favorable development for 2020 and 2019 is primarily the result of a significant number of claims closing without any liability to the physicians insured by the Company.

NOTE 6 - SERVICE AGREEMENTS

The Company has a management agreement with Aon Insurance Managers (USA) Inc. (the "Manager"). The Manager performs, under the direction and control of the Company, certain management, accounting, and administrative services on behalf of the Company. The management fee is subject to annual negotiation. Management fee expense amounts of \$90,900 and \$54,029 are included in administrative expenses in the accompanying statutory statement of operations and changes in surplus for the years ended December 31, 2020 and 2019, respectively.

NOTE 7 - RESTRICTED CASH AND MINIMUM SURPLUS REQUIREMENTS

As a pure captive insurance company incorporated as a mutual insurer in the State of New York, the Company is subject to a minimum requirement of \$250,000 in statutory surplus in the form of cash or a letter of credit. At December 31, 2020 and 2019, the Company was in compliance with this minimum surplus requirement with a \$250,000 letter of credit.

The payment of dividends by the Company to NYC H+H must be approved by NYSDFS and the Company's Board of Directors. As of December 31, 2020, and 2019, no dividends had been declared or paid.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Company has a letter of credit of \$250,000 for the benefit of NYSDFS. The letter of credit is automatically renewable annually and has an expiration date of May 22, 2021. The letter of credit was renewed on May 22, 2021 and now expires on May 22, 2022.

HHC Insurance Company, Inc.
(A Blended Component Unit of New York City Health and Hospitals Corporation)

NOTES TO STATUTORY FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Management is not aware of any potential matters, including litigation and investigations arising in the ordinary course of business that may have an adverse effect on the Company's financial position, results of operations, or cash flows.

NOTE 9 - RECONCILIATION TO NEW YORK CAPTIVE ANNUAL REPORT

The tables below reconcile total assets, total liabilities, total unassigned surplus as presented in the Company's annual report at December 31, 2020 and 2019 as filed with NYSDFS, to the amounts shown in the accompanying financial statements:

	2020		
	Total Assets	Total Liabilities	Total Unassigned Surplus
Amounts per annual report	\$ 95,465,458	\$ 10,142,028	\$ 85,323,430
Adjustment for letter of credit	(250,000)	-	(250,000)
Per audited financial statements	\$ 95,215,458	\$ 10,142,028	\$ 85,073,430
	2019		
	Total Assets	Total Liabilities	Total Unassigned Surplus
Amounts per annual report	\$ 93,992,430	\$ 12,010,009	\$ 81,982,421
Adjustment for letter of credit	(250,000)	-	(250,000)
Per audited financial statements	\$ 93,742,430	\$ 12,010,009	\$ 81,732,421

There were no differences between net income reported in the audited financial statements and the annual report at December 31, 2020 and 2019 as filed with NYSDFS.

NOTE 10 - RISK AND UNCERTAINTIES

In March 2020, the World Health Organization declared COVID-19, the disease caused by the novel coronavirus, a pandemic, which continues to spread throughout the United States. The spread of COVID-19 has caused significant volatility in United States and international markets. Management is closely monitoring the financial implications that may impact the Company. Due to the significant uncertainties around the disruptions related to COVID-19, as well as its impact on the United States and international economies, the Company is unable to determine if it will have a material impact to its financial position and or its operations.

NOTE 11 - SUBSEQUENT EVENTS

The Company considers events or transactions that occur after the balance sheet date, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements were issued on July 1, 2021 and subsequent events have been evaluated through that date. There were no events that occurred that required adjustment to or disclosure in the statutory financial statements

HHC Insurance Company, Inc.

Business Continuity Plan

165 Broadway, One Liberty Plaza
New York, New York 10006
NAIC Number 12227

Contact Person:

Nancy Gray
76 St. Paul Street, Suite 500
Burlington, Vermont 05401
802-652-1570
Nancy.gray@aon.com

Version: 1.01
Last Updated: 10/01/2021

Business Resumption Team (BRT) & Responsibilities

PRIMARY TEAM MEMBER	ROLE	RESPONSIBILITIES
Name: Bill Mourelatos M: 802 652-1558 H: --- O: 802 862-4400 Email: bill.mourelatos@aon.com	*Business Resumption Team Lead	<ul style="list-style-type: none"> • Decision to activate & deactivate business continuity plan • Lead BRT meetings • Coordinate with Business Team Members on their recovery strategies and business needs • Coordinate with Communications for messaging to clients, markets and suppliers • Assist with implementation of recovery strategies • Act as “Disaster Liaison” with regulators
Name: Nancy Gray M: H: — O: 802 652-1570 Email: Nancy.Gray@aon.com	*Business Resumption Team Leader Alternate	<ul style="list-style-type: none"> • Fulfill BRT Leader role if primary is not available • Provide support to BRT Leader • Coordinate with Business Team Members on their recovery strategies and business needs • Communicate actions and provide status during the BRT meetings • Identify messaging requirements for clients, markets and suppliers • Assist with implementation of recovery strategies • Act as “Disaster Liaison” with regulators if team lead is unavailable.
Name: Nancy Gray M: 802 238-8251 H: -- O: 802 652-1570 Email: Nancy.Gray@aon.com	*Business Resumption Team Member/Plan Coordinator	<ul style="list-style-type: none"> • Participate in BRT meetings Coordinate with colleagues on their recovery strategies and business needs • Communicate actions and provide status during the BRT meetings • Identify messaging requirements for clients, markets and suppliers • Assist with implementation of recovery strategies • Responsible for ensuring plan is updated

Criteria for when plan should be activated:

The criteria listed below are cases whether actual or likely that the plan should be activated. It is up to the Team Leader or designated alternate to determine if these criteria are met or there is a situation not set out in the criteria that would warrant the plans activation.

- Death, injury or serious threat to employee
- Major damage to the office or building the office is located within
- Major disruption of IT systems
- Adverse impacts on colleagues, office, reputation or business
- Sensitive issues that could damage company's reputation or have adverse media impact

Initial Business Resumption Team Tasks

Objectives

- Understand the impacts of the incident
- Clarify roles, responsibilities and authority. (See BRT Roles & Responsibilities)
- Determine priorities and timescales. Mobilize resources

Agenda

	Tasks	Notes	Assigned To	Done
1	Appoint minute taker	Record decisions, issues and action plan(s)		
2	Brief attendees on situation and gather all known information	<p>Brief BRT members on situation status/known facts. Gather additional facts</p> <p>People: Are there injuries, fatalities? Where are colleagues?</p> <p>Building: Is there damage? What is the accessibility and security situation? Power? Network? Mail services? Printing/copy services? What is the anticipated restoration timeline?</p> <p>Systems/Technology/Telephony: Is there damage? Is there impacted infrastructure (phones, network, file shares), applications? What are the anticipated downtimes? Business: Are there impacted business operations, key services, and critical information (vital records)?</p> <p>Markets/vendors: Are there impacts to markets or key vendors? Key Brief attendees on situation suppliers? Do notifications need to be sent?</p>		

		<p>Client: Are services and deliverables, timelines in jeopardy? Are there client visits? Were clients impacted and in need of support? What information notifications need to be sent?</p> <p>Reputation: Is there client-facing visibility? Is there media interest? Does the BRT need assistance with media or client communications?</p> <p>Legal: Are there regulatory or compliance impacts? Contract breaches (potential or realized)? Is additional legal assistance needed?</p> <p>Emergency services: Which services are involved? Updated status on activities?</p> <p>Communication: What communications have been sent out? What is pending? What information do impacted colleagues need? What information do clients need? Does the BRT need assistance with messaging</p>		
3	Clarify the nature, scale, impact and likely timescales of the disruption	<p>Consider: How big is the incident and how long is it likely to last? Are there sufficient recovery resources in the impacted area?</p>		
4	Place recovery facilities and solutions on standby or invoke if appropriate	<p>Determine actions: Implement recovery strategy(ies) and/or put internal/external providers on standby.</p> <ul style="list-style-type: none"> • Reciprocal agreements • Virtual work location • Work transfer • Third-party provider(s) 		
5	Discuss business priority actions and shared services support	<p>What actions does the BRT need to take to execute recovery of the business unit? What support does the BRT or unit need from the following shared services to assist in recovery activities (Business Continuity Management, Communications, Facilities, Finance, Human Resources, Information Technology)?</p>		
6	Meeting cadence	<p>Determine next meeting time, date and location. Determine frequency of meetings and communication updates.</p>		

Employee Call List Directory

Employee Name	Job Title	Work #:	Work Email:
Mary Boland	Claims Manager/Senior Counsel	212-442-4955	Mary.Boland@nychhc.org
David Cheung	Executive Director/Deputy General Counsel	212-323-2299	David.Cheung@nychhc.org
Nancy Gray	Captive Manager	802-652-1570	Nancy.gray@aon.com
Dan Scott	Captive Manager	802-652-1559	Dan.Scott@aon.com

Business Information:

Office Address:	76 Saint Paul Street, Suite 500 Burlington, VT 05401
Office Main Phone #:	802-862-4400
Jurisdiction of Company:	New York
Insurance Products sold or administered by business:	1 professional liability policy
Other Offices Address, if applicable:	Not Applicable

Alternative Office Location:

If the plan is activated and the company's main office is unusable, the following site will be used.

Alternative Office Address:	25 Cherry Street Burlington, VT 05401
Alternative Office Phone #:	802-864-4700
Alternative Office Contact Representative:	Michell Langlais – VP – Director of Sales
Alternative Office Contact Representative Phone #:	802-864-4700
Alternative Office Contact Representative Email:	michell@westporthospitality.com

Alternatively, if these premises are not available/appropriate, then all staff will work from home.

Resources Required at Alternative Office Location:

Resource Requirements

Equipment	Quantity
Desktop PC	0
Laptop	1
Copier – B&W Network	1
Copier – Color Network	1
Postage Machine	0

Supplies	Quantity
Shipping Boxes	0
Paper – Stationary	1
Toner	1
Standard Supply Desk Kit	1

For above resources, items can be purchased from local or national supplier either in person or through the internet.

IT Applications

- **Globe** – this application serves as the general ledger system. The main server is located in Texas.
- **General Documents** – client files are stored in the main server located in Texas.

Related NYC Health + Hospitals (Parent) Security Policy:

- **Enterprise Information Technology Services Information Security & Risk Management: Business Continuity And Disaster Recovery Security Policy _017.1**

List of Those Requiring Notification

In the event that this plan is activated, the below is a list of those that may be impacted by the company having interruptions in its operations. This list might include service providers, regulators, insurance producers, insurance adjusters

Responsibility for communication	Recipient
1. Bill Mourelatos O: 802-862-4400 bill.mourelatos@aon.com	<ul style="list-style-type: none"> Nancy Gray– Aon Insurance Managers
2. Nancy Gray O: 802-652-1570 nancy.gray@aon.com	<ul style="list-style-type: none"> George Babu – New York DFS (George.babu@dfs.ny.gov; 212-480-2046) Dan Scott – Aon Insurance Managers
3. Mary Boland O: 212-442-4955 Mary.Boland@nychhc.org	<ul style="list-style-type: none"> David Cheung – NYC Health + Hospitals Andrea Cohen – NYH Health + Hospitals NYC Health + Hospitals Functions (as required)
4. Dan Scott O: 802-652-1559 Dan.Scott@aon.com	<ul style="list-style-type: none"> Company auditors and other service providers listed in the Company’s Operations Manual (as required)

HHC Insurance Company, Inc.

Disaster Response Plan

165 Broadway, One Liberty Plaza
New York, New York 10006
NAIC Number 12227

Contact Person:

Nancy Gray
76 St. Paul Street, Suite 500
Burlington, Vermont 05401
802-652-1570
Nancy.gray@aon.com

Version: 1.01
Last Updated: 10/01/2021

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David Cheung	Executive Director/Deputy General Counsel	212-323-2299	David.Cheung@nychhc.org
Nancy Gray	Captive Manager	802-652-1570	Nancy.gray@aon.com
Dan Scott	Captive Manager	802-652-1559	Dan.Scott@aon.com

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Alternative Office Contact Representative Email:	michell@westporthospitality.com

Alternatively, if these premises are not available/appropriate, then all staff will work from home.

Resources Required at Alternative Office Location:

Resource Requirements

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Laptop	1
Copier – B&W Network	1
Copier – Color Network	1
Postage Machine	0

Supplies	Quantity
Shipping Boxes	0
Paper – Stationary	1
Toner	1
Standard Supply Desk Kit	1

For above resources, items can be purchased from local or national supplier either in person or through the internet.

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3. Mary Boland O: 212-442-4955 Mary.Boland@nychhc.org	<ul style="list-style-type: none"> David Cheung – NYC Health + Hospitals Andrea Cohen – NYH Health + Hospitals NYC Health + Hospitals Functions (as required)
4. Dan Scott O: 802-652-1559 Dan.Scott@aon.com	<ul style="list-style-type: none"> Company auditors and other service providers listed in the Company’s Operations Manual (as required)

Medical Malpractice Insurance Pool of New York State
 Summary of Participation Factors & Members' Surplus
 As of September 30, 2021

NAIC Code	Member Companies	Participation Factors by Policy Year																					
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
34231	MLMIC Insurance Company	53.34%	55.24%	56.04%	60.42%	57.12%	55.20%	57.18%	53.08%	51.23%	47.88%	45.07%	45.41%	42.17%	42.45%	40.95%	39.05%	38.07%	37.96%	45.61%	40.95%	42.38%	38.25%
30317	Hospitals Insurance Company, Inc.	10.30%	12.52%	11.55%	8.72%	10.75%	5.20%	5.08%	6.18%	9.40%	10.88%	12.10%	12.94%	16.75%	16.81%	17.89%	17.99%	19.90%	18.61%	19.81%	24.36%	25.32%	27.83%
41467	Physicians Reciprocal Insurers	15.57%	18.48%	22.55%	21.87%	22.06%	30.37%	26.78%	27.56%	28.99%	29.49%	30.26%	28.89%	28.68%	27.99%	28.44%	29.85%	27.02%	28.18%	20.43%	18.76%	20.80%	18.72%
21350	EMPRO Insurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.35%
34495	The Doctors Company An Interinsurance Exchange	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.03%	1.11%	2.02%	2.73%	3.32%
42544	Academic Health Professionals Ins. Assoc.	1.89%	2.00%	2.01%	1.93%	1.98%	1.88%	2.08%	2.52%	2.45%	3.35%	3.57%	4.05%	4.45%	4.93%	5.35%	5.81%	7.39%	7.14%	6.41%	8.42%	2.09%	2.03%
35157	Fair American Insurance and Reinsurance Co.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.62%	0.60%	0.66%	0.93%	1.09%	1.25%	1.21%	1.22%
22276	Berkshire Hathaway Specialty Insurance Co., Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.09%	0.95%	1.01%
14460	ProAssurance Insurance Company of America	0.00%	0.00%	0.00%	0.00%	0.08%	0.11%	0.12%	0.11%	0.63%	0.72%	0.71%	0.74%	0.79%	0.82%	0.78%	0.80%	0.92%	0.96%	1.10%	1.00%	1.10%	0.95%
20427	American Casualty Co. of Reading, Pa.	0.01%	0.01%	0.03%	0.02%	0.02%	0.05%	0.07%	0.07%	0.05%	0.22%	0.24%	0.23%	0.26%	0.27%	0.28%	0.04%	0.05%	0.04%	0.02%	0.74%	0.79%	0.80%
20443	Continental Casualty Company	0.64%	0.18%	0.94%	0.79%	0.80%	0.80%	0.62%	0.56%	0.52%	0.60%	0.58%	0.47%	0.56%	0.36%	0.50%	0.44%	0.41%	0.45%	0.81%	0.15%	0.56%	0.64%
23841	New Hampshire Insurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.24%	0.24%	0.23%	0.23%	0.23%	0.24%	0.28%	0.30%	0.34%	0.33%	0.37%	0.40%
22730	Allied World Insurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.15%	0.33%
10801	Fortress Insurance Company	0.00%	0.21%	0.20%	0.21%	0.29%	0.32%	0.25%	0.26%	0.22%	0.22%	0.23%	0.24%	0.28%	0.30%	0.29%	0.27%	0.29%	0.30%	0.34%	0.33%	0.39%	0.33%
23647	Ironshore Indemnity Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.00%	0.14%	0.18%	0.07%	0.17%	0.14%	0.30%	0.22%	0.26%	0.29%	0.32%
43460	Aspen American Insurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.28%	0.29%	0.26%
12227	HHC Insurance Company, Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.70%	1.14%	1.32%	0.98%	1.00%	0.75%	0.49%	0.44%	0.44%	0.46%	0.42%	0.33%	0.21%	0.21%	0.22%	0.19%
11127	Professional Solutions Insurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.02%	0.03%	0.04%	0.05%	0.06%	0.04%
10677	Cincinnati Insurance Company	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	0.01%	0.01%	0.01%	0.06%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%
22667	Ace American Insurance Company	0.00%	0.00%	0.14%	0.57%	0.60%	0.58%	0.56%	0.51%	0.51%	0.58%	0.59%	0.47%	0.25%	0.21%	0.21%	0.22%	0.20%	0.20%	0.00%	0.00%	0.00%	0.00%
19489	Allied World Assurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.41%	0.14%	0.00%	0.00%	0.00%	0.00%	0.02%	0.30%	0.29%	0.47%	0.14%	0.02%	0.00%
16624	Allied World Specialty Insurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.46%	0.73%	0.78%	0.64%	0.55%	0.42%	0.19%	0.25%	0.24%	0.22%	0.15%	0.00%
12246	American Continental Insurance Co.	0.24%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26247	American Guarantee & Liability Ins. Co.	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19380	American Home Assur. Company	0.04%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21857	American Insurance Company	0.00%	0.00%	0.00%	0.00%	0.70%	0.76%	0.73%	0.66%	0.55%	0.15%	0.00%	0.01%	0.01%	0.01%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
18910	American Protection Insurance Co. (Insolvent)	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
40412	American Zurich Insurance Company	0.00%	0.00%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11150	Arch Insurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27154	Atlantic Specialty Insurance Company **	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.21%	0.09%	0.10%	0.12%	0.10%	0.11%	0.06%	0.07%	0.07%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
37540	Beazley Insurance Company, Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.15%	0.20%	0.25%	0.30%	0.37%	0.10%	0.00%	0.00%	0.00%	0.00%
19518	Catlin Insurance Company, Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.03%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%
22810	Chicago Insurance Company	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.10%	0.08%	0.08%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23280	Cincinnati Indemnity Company (The)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%
24872	Connecticut Indemnity Company (The)	0.34%	0.30%	0.30%	0.30%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35181	Executive Risk Indemnity Inc.	0.16%	0.36%	0.60%	0.62%	0.25%	0.38%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21873	Fireman's Fund Insurance Company	0.00%	0.00%	0.00%	0.22%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
34266	Frontier Insurance Company (Insolvent)	6.12%	1.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24732	General Insurance Company of America	0.08%	0.03%	0.38%	0.13%	0.08%	0.18%	0.10%	0.11%	0.08%	0.05%	0.05%	0.02%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11967	General Star National Insurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.44%	0.00%
25224	Great Divide Insurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%	0.03%	0.00%	0.00%	0.00%	0.00%
34223	Group Council Mutual Ins. Company (Insolvent)	4.14%	2.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22217	Gulf Insurance Company	0.37%	1.71%	1.31%	0.03%	0.51%	0.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12519	Healthcare Professionals Ins. Company, Inc. *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.68%	2.08%	1.94%	1.77%	2.35%	2.40%	2.05%	1.74%	1.99%	1.89%	1.87%	2.10%	1.11%	0.00%	0.00%	0.00%
34452	Homeland Insurance Company of NY	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.01%	0.04%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24422	Legion Insurance Company (Insolvent)	0.74%	0.77%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19917	Liberty Insurance Underwriters, Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11991	National Casualty Company	0.00%	0.00%	0.00%	0.00%	0.26%	0.28%	0.19%	0.20%	0.14%	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20478	National Fire Insurance Co. of Hartford	0.05%	0.53%	0.17%	0.05%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20052	National Liability & Fire Insurance Company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%	0.15%	0.17%	0.04%	0.00%	0.00%	0.00%
19445	National Union Fire Ins. Co. of Pittsburgh, Pa.	3.38%	1.79%	2.07%	2.20%	2.25%	2.07%	1.90%	2.80%	0.85%	1.17%	1.32%	1.30%	1.25%	1.20%	0.52%	0.54%	0.65%	0.67%	0.70%	0.00%	0.00%	0.00%
10222	PACO Assurance Company, Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.33%	0.29%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%
35718	PHICO Assurance Company (Insolvent)	0.29%	0.04%	0																			

Medical Malpractice Insurance Pool of New York State
 Summary of Participation Factors & Members' Surplus
 As of September 30, 2021

NAIC Code	Member Companies	Members' Surplus (Deficit) by Policy Year																				Total		
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		2020	2021
34231	MLMIC Insurance Company	(1,149,165)	(437,819)	(1,071,889)	(1,343,317)	(3,301,330)	12,433,172	9,160,456	12,054,734	13,639,145	6,994,375	14,626,999	8,411,849	14,013,830	7,720,831	5,592,855	8,981,501	5,483,398	4,504,348	(332,730)	(1,529,238)	(5,796,653)	(1,997,975)	106,657,377
30317	Hospitals Insurance Company, Inc.	(221,905)	(99,230)	(220,919)	(193,872)	(621,311)	1,171,241	813,835	1,403,509	2,502,595	1,589,365	3,926,929	2,397,034	5,566,318	3,057,413	2,443,374	4,137,701	2,866,289	2,208,270	(144,516)	(909,701)	(3,463,220)	(1,453,690)	26,755,510
41467	Physicians Reciprocal Insurers	(335,443)	(146,468)	(431,319)	(486,235)	(1,274,989)	6,840,497	4,290,259	6,259,014	7,718,111	4,307,939	9,820,568	5,351,648	9,530,866	5,090,837	3,884,269	6,865,501	3,891,816	3,343,850	(149,039)	(700,574)	(2,844,983)	(977,833)	69,848,292
21350	EmpPRO Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(174,986)
34495	The Doctors Company an Interinsurance Exchange	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,202	3,560	(8,098)	(75,435)	(373,404)	(173,419)	(619,594)	
42544	Academic Health Professionals Ins. Assoc.	(40,718)	(15,852)	(38,446)	(42,909)	(114,437)	423,449	333,224	572,305	652,272	489,373	1,158,606	750,231	1,478,813	896,671	730,690	1,336,300	1,064,416	847,235	(46,762)	(314,437)	(285,866)	(106,036)	9,728,122
35157	Fair American Insurance and Reinsurance Co.	0	0	0	0	(4,623)	24,776	19,224	24,982	167,727	105,179	230,423	137,079	262,531	149,142	106,531	184,000	132,512	113,914	(8,025)	(37,344)	(150,456)	(49,623)	1,407,949
22276	Berkshire Hathaway Specialty Insurance Co., Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(511)	(3,361)	(129,939)	(52,757)	(186,568)
14460	ProAssurance Insurance Company of America	0	0	0	0	(4,623)	24,776	19,224	24,982	167,727	105,179	230,423	137,079	262,531	149,142	106,531	184,000	132,512	113,914	(8,025)	(37,344)	(150,456)	(49,623)	1,407,949
20427	American Casualty Co. of Reading, Pa.	(215)	(79)	(574)	(444)	(1,156)	11,262	11,214	15,897	13,312	32,138	77,890	42,606	86,403	49,108	38,242	9,200	7,202	4,746	(146)	(27,635)	(108,055)	(41,788)	219,128
20443	Continental Casualty Company	(13,788)	(1,427)	(17,980)	(17,564)	(46,237)	180,191	99,326	127,179	138,441	87,649	188,233	87,064	186,098	65,477	68,289	101,200	59,054	53,397	(5,909)	(5,602)	(76,596)	(33,430)	1,223,066
23841	New Hampshire Insurance Company	0	0	0	0	0	0	0	0	35,060	77,890	44,458	76,433	41,833	31,413	55,200	40,330	35,598	(2,480)	(12,324)	(50,608)	(20,894)	351,908	
22730	Allied World Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,120)	(20,517)	(17,237)	(38,874)	
10801	Fortress Insurance Company	0	(1,664)	(3,825)	(4,669)	(16,760)	72,076	40,051	59,047	58,571	32,138	74,644	44,458	93,049	54,564	39,608	62,100	41,770	35,598	(2,480)	(12,324)	(53,343)	(17,237)	595,372
23647	Ironshore Indemnity Inc.	0	0	0	0	0	0	0	0	0	0	29,209	16,672	46,524	32,739	9,560	39,100	20,165	35,598	(1,605)	(9,709)	(39,666)	(16,715)	161,872
43460	Aspen American Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(10,456)	(39,666)	(13,581)	(63,703)	
12227	HHC Insurance Company, Inc.	0	0	0	0	0	112,143	258,900	351,428	143,160	324,540	138,932	162,836	80,027	60,094	105,800	60,495	39,158	(1,532)	(7,842)	(30,091)	(9,925)	1,788,121	
11127	Professional Solutions Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	1,819	2,732	4,600	2,881	3,560	(292)	(1,867)	(8,207)	(2,089)	3,136
10677	Cincinnati Insurance Company	0	0	0	(222)	(577)	2,252	1,602	2,271	2,662	2,922	3,245	1,852	3,323	10,913	0	1,440	0	0	0	0	(1,368)	(522)	29,794
22667	Ace American Insurance Company	0	0	(2,678)	(12,673)	(34,678)	130,638	89,714	115,824	135,779	84,727	191,478	87,064	83,079	38,195	28,681	50,600	28,807	2,373	0	0	0	0	1,016,931
19489	Allied World Assurance Company	0	0	0	0	0	0	0	0	13,312	59,893	45,436	0	0	0	0	4,600	43,210	34,412	(3,429)	(5,228)	(2,736)	0	189,470
16624	Allied World Specialty Insurance Company	0	0	0	0	0	0	0	0	0	0	149,288	135,227	259,208	116,404	75,118	96,600	27,367	29,665	(1,751)	(8,216)	(20,517)	0	858,392
12246	American Continental Insurance Co.	(5,171)	(1,268)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(6,439)
26247	American Guarantee & Liability Ins. Co.	0	0	(264)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(264)
19380	American Home Assur. Company	(862)	0	0	(222)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,084)
21857	American Insurance Company	0	0	0	(40,457)	171,181	116,949	149,889	146,428	21,912	0	1,852	3,323	1,819	0	0	1,440	0	0	0	0	0	0	574,338
18910	American Protection Insurance Co. (Insolvent)	0	(2,720)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,720)
40412	American Zurich Insurance Company	0	0	(1,851)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,851)
11150	Arch Insurance Company	0	0	0	0	0	0	0	0	0	13,147	25,963	0	0	0	0	0	0	0	0	0	0	0	39,110
27154	Atlantic Specialty Insurance Company **	0	0	0	0	29,281	33,643	20,439	26,623	17,530	32,454	20,377	19,939	12,732	9,560	16,100	0	0	0	0	0	0	0	238,678
37540	Beazley Insurance Company, Inc.	0	0	0	0	0	0	0	0	0	0	16,672	49,848	36,376	34,144	69,000	53,293	11,866	0	0	0	0	0	271,199
19518	Catlin Insurance Company, Inc.	0	0	0	0	0	0	0	0	0	0	0	0	1,819	2,732	6,900	4,321	0	0	0	0	0	0	15,771
22810	Chicago Insurance Company	0	0	(222)	0	0	0	22,711	21,299	11,687	32,454	0	0	0	0	0	0	0	0	0	0	0	0	87,927
23280	Cincinnati Indemnity Company (The)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,440	1,187	0	0	0	0	0	2,627
24872	Connecticut Indemnity Company (The)	(38,970)	(16,170)	(6,805)	33,103	42,707	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,864
35181	Executive Risk Indemnity Inc.	(3,447)	(2,853)	(11,477)	(13,785)	(14,449)	85,591	16,020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	55,600
21873	Fireman's Fund Insurance Company	0	0	0	21,842	0	2,252	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,094
34266	Frontier Insurance Company (Insolvent)	(2,822,969)	(290,049)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,113,009)
24732	General Insurance Company of America	(1,723)	(237)	(7,268)	(2,890)	(4,623)	40,543	16,020	24,982	21,299	7,304	16,227	3,705	3,323	1,819	0	0	0	0	0	0	0	0	118,479
11967	General Star National Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,361)	(5,471)	(8,832)
25224	Great Divide Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,600	4,321	3,560	0	0	0	0	0	12,481
34223	Group Council Mutual Ins. Company (Insolvent)	(1,909,649)	(738,307)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,647,956)
22217	Gulf Insurance Company	(7,971)	(13,552)	(25,057)	(667)	(29,476)	99,105	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22,382
12519	Healthcare Professionals Ins. Company, Inc. *	0	0	0	0	0	269,142	472,378	516,493	258,564	762,668	444,581	681,251	316,472	271,790	434,700	269,345	249,187	(802)	0	0	0	0	4,945,769
34452	Homeland Insurance Company of NY	0	0	0	0	0	6,408	0	0	0	0	0	1,852	13,293	1,819	0	0	0	0	0	0	0	0	23,372
24422	Legion Insurance Company (Insolvent)	(341,338)	(203,034)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(544,373)
19917	Liberty Insurance Underwriters, Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	1,819	0	0	0	0	0	0	0	0	1,819
11991	National Casualty Company	0	0	0	(15,027)	63,067	30,439	45,421	37,273	23,373	0	0	0	0	0	0	0	0	0	0	0	0	0	184,545
20478	National Fire Insurance Co. of Hartford	(1,077)	(4,201)	(3,251)	(1,112)	0	0	0	5,325	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(4,317)
20052	National Liability & Fire Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23,000	21,605	20,172	(292)	0	0	0	0	64,486
19445	National Union Fire Ins. Co. of Pittsburgh, Pa.	(72,819)	(14,188)	(39,593)	(48,912)	(130,042)	466,244	304,387	635,894	226,299	170,915	428,392	240,815	415,397	218,257	71,020	124,200	93,623	79,502	(5,107)	0	0	0	3,164,284
10222	PACO Assurance Company, Inc.	0	0	0	0	0	52,867	65,860	2,662	0	0	0	0	0	0	9,200	0	4,746	0	0	0	0	0	135,336
35718	PHICO Insurance Company (Insolvent)	(133,768)	(10,547)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(144,315)
18619	Platte River Insurance Company	0	0	0	0	0	3,204	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,204
12476	QueensBrook New York, Inc.	0	0	0	0	0	158,974	143,766	40,903	77,890	22,229	0	0	0	0	0	0	0	0	0	0	0	0	443,761
24457	Reliance Insurance Company (Insolvent)	(59,965)	0	0	0	0	0																	

HHC Insurance Company, Inc.

Unaudited Financial Statements

For the Period Ended September 30, 2021

ACIM Client Service Team:

Name:	Role:	Contact Details:
Nancy Gray	Team Leader Regional Managing Director - Americas	Nancy.Gray@aon.com
Dan Scott	Account Executive	Dan.Scott@aon.com
Shivakumar B V	Accountant	Shivakumar.b.v@aon.com
Chryssa O'Toole	Insurance Services Senior Insurance Officer	Chryssa.OToole@aon.com

HHC Insurance Company, Inc.

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For the Period Ended September 30, 2021

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Prepared by:



Reviewed by:



Date prepared and reviewed

26 October 2021

HHC Insurance Company, Inc.

Comparative Balance Sheets

As of September 30, 2021 and December 31, 2020

Unaudited

	<u>As of</u> <u>September 30, 2021</u>	<u>As of</u> <u>December 31, 2020</u>
<u>ASSETS</u>		
Premium Receivable	\$ 1,400,000	\$ -
Intercompany Loan Receivable	92,025,173	92,025,173
MMIP Receivable	3,220,691	3,186,356
Deferred Premium Taxes	1,400	-
Prepaid New York Premium Taxes	1,274	1,662
Prepaid New York Section 206 Fees	-	2,267
	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>96,648,538</u>	\$ <u>95,215,458</u>
<u>LIABILITIES</u>		
Outstanding Loss and LAE Reserves	\$ 3,177,394	\$ 3,716,067
Incurred But Not Reported Loss & LAE Reserves	6,154,225	4,635,652
Premium Deficiency Reserve	2,976	1,900
Unearned Premium	385,275	40,618
Accounts Payable	45,265	78,879
Intercompany Payable	1,874,447	1,668,912
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ <u>11,639,582</u>	\$ <u>10,142,028</u>
<u>NET ASSETS</u>		
Available for Operations - Prior Year	85,073,430	81,732,420
Available for Operations - Current Year	(64,474)	3,341,010
	<hr/>	<hr/>
TOTAL NET ASSETS	<u>85,008,956</u>	<u>85,073,430</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>96,648,538</u>	\$ <u>95,215,458</u>

HHC Insurance Company, Inc.

Balance Sheets - Direct vs. MMIP

As of September 30, 2021

Unaudited

	<u>Direct</u>	<u>MMIP</u>	<u>Combined</u>
<u>ASSETS</u>			
Premium Receivable	\$ 1,400,000	\$ -	\$ 1,400,000
Intercompany Loan Receivable	92,025,173	-	92,025,173
MMIP Receivable	-	3,220,691	3,220,691
Deferred Premium Taxes	1,400	-	1,400
Prepaid New York Premium Taxes	1,274	-	1,274
TOTAL ASSETS	<u>\$ 93,427,847</u>	<u>\$ 3,220,691</u>	<u>\$ 96,648,538</u>
<u>LIABILITIES</u>			
Outstanding Loss and LAE Reserves	\$ 2,152,000	\$ 1,025,394	\$ 3,177,394
Incurred But Not Reported Loss & LAE Reserves	5,771,808	382,417	6,154,225
Premium Deficiency Reserve	-	2,976	2,976
Unearned Premium	350,000	35,275	385,275
Accounts Payable	45,265	-	45,265
Intercompany Payable	1,874,447	-	1,874,447
TOTAL LIABILITIES	<u>\$ 10,193,520</u>	<u>\$ 1,446,062</u>	<u>\$ 11,639,582</u>
<u>NET ASSETS</u>			
Available for Operations - Prior Year	83,407,503	1,665,927	85,073,430
Available for Operations - Current Year	(173,176)	108,702	(64,474)
TOTAL NET ASSETS	<u>83,234,327</u>	<u>1,774,629</u>	<u>85,008,956</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 93,427,847</u>	<u>\$ 3,220,691</u>	<u>\$ 96,648,538</u>

HHC Insurance Company, Inc.

Comparative Statements of Income

For the Year to Date Ended September 30, 2021 and 2020

Unaudited

	YTD September 30, 2021	YTD September 30, 2020
<u>INCOME</u>		
Gross Premium Written	\$ 1,438,103	\$ 1,764,692
Change in Unearned Premium	(344,657)	(435,435)
Gross Premium Earned	1,093,446	1,329,257
Interest Income	79,957	99,346
TOTAL INCOME	1,173,403	1,428,603
<u>EXPENSES</u>		
Net Losses and Loss Adjustment Expenses Incurred	1,058,952	1,218,910
Change in Premium Deficiency Reserve	1,076	(1,797)
Underwriting Expenses	17,133	19,481
General & Administrative Expenses	160,716	115,883
TOTAL EXPENSES	1,237,877	1,352,477
CHANGE IN UNRESTRICTED NET ASSETS	\$ (64,474)	\$ 76,126

HHC Insurance Company, Inc.

Statements of Income - Direct vs. MMIP

For the Year to Date Ended September 30, 2021

Unaudited

	<u>Direct</u>	<u>MMIP</u>	<u>Combined</u>
<u>INCOME</u>			
Gross Premium Written	\$ 1,400,000	\$ 38,103	\$ 1,438,103
Change in Unearned Premium	(350,000)	5,343	(344,657)
Gross Premium Earned	1,050,000	43,446	1,093,446
Interest Income	34	79,923	79,957
TOTAL INCOME	1,050,034	123,369	1,173,403
<u>EXPENSES</u>			
Net Losses and Loss Adjustment Expenses Incurred	1,050,000	8,952	1,058,952
Change in Premium Deficiency Reserve	-	1,076	1,076
Underwriting Expenses	12,494	4,639	17,133
General & Administrative Expenses	160,716	-	160,716
TOTAL EXPENSES	1,223,210	14,667	1,237,877
CHANGE IN UNRESTRICTED NET ASSETS	\$ (173,176)	\$ 108,702	\$ (64,474)

HHC Insurance Company, Inc.

Schedule of Expenses

For the Year to Date Ended September 30, 2021 and 2020

Unaudited

	<u>9/30/2021</u>	<u>9/30/2020</u>
<u>UNDERWRITING EXPENSES</u>		
New York Premium Taxes	\$ 4,286	\$ 5,246
Other Taxes and Expenses	4,639	4,959
Insurance Department Assessment Fees - Sec 206	8,208	9,277
	<hr/>	<hr/>
TOTAL UNDERWRITING EXPENSES	\$ <u>17,133</u>	\$ <u>19,481</u>
<u>GENERAL & ADMINISTRATIVE EXPENSES</u>		
Actuarial Fees	\$ 21,000	\$ 17,250
State Examination Fees	13,152	-
Insurance Consulting Services - AHPIA	56,700	56,700
LOC Fees	1,422	1,433
Management Fees	68,442	40,500
	<hr/>	<hr/>
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ <u>160,716</u>	\$ <u>115,883</u>

HHC Insurance Company, Inc.

Schedule of Receivables and Payables

As of September 30, 2021 and December 31, 2020

	Unaudited		12/31/2020
	9/30/2021		
<u>MMIP RECEIVABLE</u>			
Premium Receivable	\$ 5,276,848	\$	5,238,745
Underwriting Expenses Payable	(437,799)		(433,160)
Interest Income Receivable	1,280,302		1,200,379
Losses & LAE Paid	(2,898,660)		(2,819,608)
	<u> </u>		<u> </u>
TOTAL MMIP RECEIVABLE	\$ 3,220,691	\$	3,186,356
<u>INTERCOMPANY RECEIVABLE (PAYABLE)</u>			
Income from MMIP	\$ 2,032,537	\$	2,032,537
Other Interest Income	34		-
Less:			
LOC Fees	(176,683)		(175,261)
AHPIA Consulting Service	(1,098,075)		(1,060,275)
Aon Management Fees	(932,020)		(813,178)
Actuarial Fees	(445,601)		(417,601)
Audit Fees	(613,400)		(613,400)
State Examination Fees	(30,582)		(22,315)
Premium Taxes	(449,605)		(444,307)
Assessment Fees	(724,849)		(718,909)
Losses Paid	(13,811,030)		(13,811,030)
Transfer to Intercompany Loan Receivable	14,374,827		14,374,827
	<u> </u>		<u> </u>
TOTAL INTERCOMPANY RECEIVABLE/(PAYABLE)	\$ (1,874,447)	\$	(1,668,912)
<u>ACCOUNTS PAYABLE</u>			
LOC Fees Payable	\$ 479	\$	479
AHPIA-Consulting Services	18,900		-
Aon Insurance Managers - Management Fees	-		50,400
State Examination Fees	4,885		-
Actuarial Fee	21,000		28,000
	<u> </u>		<u> </u>
TOTAL ACCOUNTS PAYABLE	\$ 45,265	\$	78,879
<u>STATE TAXES PAYABLE</u>			
Premium Taxes Payable (Receivable), beginning of period	\$ (1,662)	\$	(563)
NY Section 206 Fees Payable (Receivable), beginning of period	(2,268)		(4,870)
Current Period Liability - Premium Taxes	5,686		5,769
Current Period Payments - Premium Taxes	(5,298)		(6,867)
Current Period Liability - NY Section 206	8,208		8,727
Current Period Payments - NY Section 206	(5,940)		(6,125)
	<u> </u>		<u> </u>
TOTAL PREMIUM TAXES PAYABLE (RECEIVABLE)	\$ (1,274)	\$	(1,662)
TOTAL NY SECTION 206 FEES PAYABLE (RECEIVABLE)	\$ -	\$	(2,268)

HHC Insurance Company, Inc.
NYCHHC Underwriting Results by Underwriting Year
as of September 30, 2021

Underwriting Year	Policy Period	Premium Written	Premium Earned	Losses & LAE Paid	Case Reserves	IBNR Reserves	Total Loss & LAE Incurred	Net Underwriting Results	Closed with Payment	Closed without Payment	Open Files
2005	1/1/05 - 12/31/05	6,800,000	6,800,000	-	-	-	-	6,800,000	0	8	0
2006	1/1/06 - 12/31/06	12,400,000	12,400,000	1,500,000	-	-	1,500,000	10,900,000	2	45	0
2007	1/1/07 - 12/31/07	16,500,000	16,500,000	140,000	-	-	140,000	16,360,000	2	37	0
2008	1/1/08 - 12/31/08	12,100,000	12,100,000	1,575,000	-	-	1,575,000	10,525,000	3	47	0
2009	1/1/09 - 12/31/09	12,400,000	12,400,000	3,483,000	1,000	10,000	3,494,000	8,906,000	6	71	1
2010	1/1/10 - 12/31/10	14,000,000	14,000,000	1,729,838	5,000	10,000	1,744,838	12,255,162	4	45	1
2011	1/1/11 - 12/31/11	6,200,000	6,200,000	880,000	5,000	10,000	895,000	5,305,000	3	36	1
2012	1/1/12 - 12/31/12	5,400,000	5,400,000	1,738,000	15,000	37,000	1,790,000	3,610,000	4	36	3
2013	1/1/13 - 12/31/13	5,400,000	5,400,000	240,000	250,000	1,080,000	1,570,000	3,830,000	2	40	1
2014	1/1/14 - 12/31/14	5,500,000	5,500,000	1,236,000	-	-	1,236,000	4,264,000	5	30	0
2015	1/1/15 - 12/31/15	5,500,000	5,500,000	874,935	35,000	100,065	1,010,000	4,490,000	4	41	7
2016	1/1/16 - 12/31/16	3,200,000	3,200,000	339,258	620,000	140,742	1,100,000	2,100,000	4	27	6
2017	1/1/17 - 12/31/17	1,800,000	1,800,000	75,000	165,000	660,000	900,000	900,000	2	29	6
2018	1/1/18 - 12/31/18	1,800,000	1,800,000	-	60,000	770,000	830,000	970,000	0	6	11
2019	1/1/19 - 12/31/19	1,700,000	1,700,000	-	120,000	1,380,000	1,500,000	200,000	0	8	24
2020	1/1/20 - 12/31/20	1,400,000	1,400,000	-	695,000	705,000	1,400,000	-	0	1	12
2021	1/1/21 - 12/31/21	1,400,000	1,050,000	-	181,000	869,000	1,050,000	-	0	1	14
Total		\$ 113,500,000	\$ 113,150,000	\$13,811,031	\$ 2,152,000	\$ 5,771,808	\$ 21,734,839	\$ 91,415,162	41	508	87

HHC Insurance Company

Summary of Business Plan Updates to the State of New York

November 5, 2020 through November 4, 2021

Date	Summary Description	Date Approved
10/14/21	Permitted practice request to file on statutory basis versus GASB.	10/18/21
10/14/21	Request for waiver of actuarial certification on MMIP reserves.	10/18/21
10/14/21	Permitted practice request to carry MMIP balances on statutory basis of accounting.	10/18/21

REGULATORY COMPLIANCE CHECKLIST

A regulatory compliance checklist has been prepared to illustrate the various filings that are required to be made during the year and their status.

Reports and Filings		Due Date	Responsible Party	Comments
a)	YE 12/31/20 Annual Report – NY Article 70 Sec. 7006(a)	03/01/2021	Aon	Filed
b)	2020 Annual Certification of Loss Reserves	03/01/2021	Aon	Filed
c)	2020 Annual Certification of Cyber Security Compliance Rule Section 500.17	04/15/2021	Aon & NYC Health + Hospitals	Filed
d)	2020 NY Captive Franchise Tax Return - Article 70 Sec. 7012	04/15/2021	Aon	Filed
e)	Pre-Disaster Data Survey	08/20/2021	Aon	Filed
f)	2021 NY Captive Franchise Tax Deposits – Quarterly Installment Payments	03/15/2021 07/15/2021 09/15/2021 12/15/2021	Aon	Filed Filed Filed Filed
g)	2021 NY 206 Assessments – Quarterly Installment Payments	03/10/2021 06/10/2021 09/10/2021 12/10/2021	Aon	Filed Filed Filed Pending
h)	Disaster Response Plan Questionnaire	10/08/2021	Aon	Filed
i)	Disaster Response Plan	10/08/2021	Aon	Filed
j)	Business Continuity Plan Questionnaire	10/08/2021	Aon	Filed
k)	Annual License Renewal-Article 70 Sec. 7003(e)	06/30/2021	Aon	Filed
l)	2020 Annual Audited Financial Statements Article 70 Sec. 7006(b)	07/01/2021	Aon & Grant Thornton LLP	Filed
m)	2020 Parent Audited Annual Report-Article 70 Sec. 7006(c)	07/01/2021	Aon	Filed
n)	2020 Forms 1099 filed with IRS only	01/31/2021	Prepared by NYC Health + Hospitals	Filed

Corporate Documentation		Due Date	Responsible Party	Comments
a)	Biographical affidavits on file with Dept.	When changed	Aon	In Compliance
b)	Annual Directors Meeting in New York – Article 70 Sec. 7003 (b) (2)	Annually	Aon	In Process for 2021
c)	Appointment of Directors by NYC Health + Hospitals	Every two years	NYC Health + Hospitals	In Compliance

d)	Business Continuity Plan approved by Board of Directors or Relevant Committee	Annually	Aon	In Process for 2021
e)	Disaster Response Plan approved by Board of Directors or Relevant Committee	Annually	Aon	In Process for 2021
f)	Board of Directors – Article 70, Section 7005 (g) – Pure captives incorporated in the state of New York shall have at least three directors, with at least two of the directors being residents of New York			In Compliance

Underwriting Activities		Due Date	Responsible Party	Comments
a)	Changes in Business Plan given approval by Department – Article 70 Sec. 7003 (d)	Date of change	Aon	In Compliance
b)	Principal place of business in New York	N/A	Aon	In Compliance
c)	Allowable lines insured – Article 70 Sec. 7005	N/A	Aon	In Compliance
d)	TRIA Data Filing	05/15/2020	Aon	N/A

Financial Standing		Comments
a)	Minimum unimpaired capital and surplus of \$250,000 – Article 70, Section 7004	In Compliance with \$250,000 LOC.
b)	Legal investments – Article 70, Section 7009	In Compliance

Examination Process		Comments
a)	The Company was examined in 2021 as of December 31, 2019 – subject to exam every five years - Article 70, Section 7007	Draft report on exam has not been received yet.

Policy Documentation		Comments
a)	Copy of policies on file with the Company	AHPIA maintains this documentation.

Other Items		Comments
a)	Confirmation that Company's assets are not pledged other than to collateralize its insurance obligations. Regulatory approval must be obtained to pledge assets excess of minimum capital	Confirmed.

HHC Physicians Purchasing Group, Inc.

Agenda for the Annual Meeting of the Directors

November 1, 2021

50 Water Street, 15th Floor

New York, NY

Virtual Meeting for the Public

Page

The following agenda items will be discussed and appropriate action will be taken:

- Election of Officers for the ensuing year
- Approval of prior year meeting minutes and any other actions since that date 54

RESOLUTION:

Authorizing the Board of Directors of the HHC Physicians Purchasing Group, Inc. to appoint the officers of the HHC Physicians Purchasing Group, Inc., and to approve the minutes of its meeting of November 5, 2020.

WHEREAS, the Board of Directors of the NYC Health + Hospitals (“health care system”) has authorized the President of the health care system to seek the incorporation of the HHC Physicians Purchasing Group, Inc. as a wholly-owned subsidiary corporation by the New York Secretary of State and to seek the registration of the HHC Physicians Purchasing Group, Inc. as an insurance purchasing group in the State of New York; and

WHEREAS, the Board of Directors of the health care system has authorized the President of the health care system to commence operations of the HHC Physicians Purchasing Group, Inc. after incorporation and registration as a purchasing group by the State of New York; and

WHEREAS, The Board of Directors of the health care system has reserved the right to approve the Bylaws of the HHC Physicians Purchasing Group, Inc. and to appoint the directors of the HHC Physicians Purchasing Group, Inc.; and

WHEREAS, the Board of Directors of the health care system has approved the Bylaws of the HHC Physicians Purchasing Group Inc. and appointed the directors of the HHC Physicians Purchasing Group, Inc.; and

WHEREAS, the HHC Physicians Purchasing Group, Inc. has been incorporated as a wholly-owned subsidiary corporation of the health care system by the Secretary of State of the State of New York; and

WHEREAS, the HHC Physicians Purchasing Group, Inc. has been registered by the NYS Department of Insurance upon the request of the officers of the HHC Physicians Purchasing Group, Inc.

NOW, THEREFORE, Be It

RESOLVED, that the following shall serve as Directors of the HHC Physicians Purchasing Group, Inc.:

Mitchell H. Katz, M.D.
Machelle Allen, M.D.
Vincent Calamia, M.D.
Andrea G. Cohen
John Ulberg, Jr.

And that Vincent Calamia, M.D. shall serve as the Chairman of the Board of Directors of the Group;

AND FURTHER RESOLVED, that the following shall serve as officers of the HHC Physicians Purchasing Group, Inc.:

Vincent Calamia, M.D.	President
Machelle Allen, M.D.	Vice-President
Andrea G. Cohen	Secretary
John Ulberg, Jr.	Treasurer

AND FURTHER RESOLVED, that the minutes of the November 5, 2020 meeting of the HHC Physicians Purchasing Group, Inc. are hereby approved;

Information Items:

- 1) The Purchasing Group has been registered and approved by the New York State Department of Insurance to act as a purchasing group within the State. The business of the group is to obtain, on behalf of its members, who are employees of the health care system's affiliates, primary insurance for medical malpractice from the HHC Insurance Company, Inc., a captive insurance company.
- 2) The physician members of the group have obtained primary medical malpractice insurance coverage in the amount of \$1.3 million per occurrence /\$3.9 million in the aggregate from the captive insurer for 2021. Insurance policies have been issued for the members of the group by the captive. The members of the group have also received excess coverage in the amount of \$1 million per occurrence /\$3 million in the aggregate from MMIP.

