

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

2022 ANNUAL MEETING OF THE DIRECTORS

November 1, 2022
10:00 a.m. EST
50 Water Street, 17th Floor
New York, NY

Meeting for the Public



Agenda for the Annual Meeting of the Directors

November 1, 2022, 10:00 a.m.

50 Water Street, 17th Floor

New York, NY

Meeting for the Public

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

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1. Appointment of Chairperson and Declaration of Quorum	
2. Approval of Prior Meeting Minutes and any other Actions since that Date	7
3. Election of Officers for the Ensuing Year	
4. Acceptance of Executive Director and Director of Claims	
5. Issue Primary Coverage to the Members of HHC Physicians Purchasing Group, Inc.	
6. Appointment of the Independent Auditor and Loss Reserve Specialist for the Year Ending December 31, 2022	
7. Review and Approval of Intercompany Loan to Parent	9
8. Approval of Audited December 31, 2021 Financial Statements	10
9. Approval of Business Continuity Plan	25
10. Approval of Disaster Response Plan	32
11. Informational Items:	
a. Insurance Applications and Coverage Provided	
b. Medical Malpractice Insurance Pool Update	39
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g. Other Business	

November 2022

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 THURSDAY, NOVEMBER 01, 2022.

THE MEETING OF HHC INSURANCE COMPANY WILL START AT 10:00 AM. THE MEETING OF THE PURCHASING GROUP WILL IMMEDIATELY FOLLOW.

<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 1, 2021, 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 2021 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 1, 2021 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.	President
Machelle Allen, M.D.	Vice-President
Andrea G. Cohen	Secretary
John Ulberg, Jr.	Treasurer

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

AND FURTHER RESOLVED, that Sheila Gomez 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, 2023

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, 2021 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 15 Obstetrician/Gynecologists and Neurosurgeons. As of 9/30/2022, there are 284 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 197 Health + Hospitals physicians, beginning July 1, 2020. Of the 197 excess applications filed, 183 doctors have been deemed eligible to receive excess coverage through the Pool. It was determined during the application process that 39 physicians already were covered by the Pool for excess coverage through other hospitals/carriers. There are 14

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 June 30, 2022 session statement from the Pool indicates that the Company has a net equity in the Pool of \$1,894,594. Pages 39 and 40 further detail the Company's Pool participation.

3) Review the June 30, 2022 interim financial statements. Refer to Page 41.

4) Sedgwick has reported 71 open files and 565 closed files for the underwriting years 2005 through 2022. Of the closed files, 41 were closed with payment and 524 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 15th floor conference room at 50 Water Street, New York, New York, on the 1st day of November 2021 at 10:00 AM, pursuant to a notice which was sent to all the Directors of the Company and provided to the public by the Corporate Secretary of the NYC Health + Hospitals. The meeting had virtual access with the link posted on the NYC Health + Hospitals internet site. The following Directors were present virtually, constituting a quorum:

Mitchell Katz, M.D.
Andrea Cohen, Esq.
Vincent Calamia, M.D.

John Ulberg, Jr. was represented by his delegate, Jay Weinman as per the HHCIC Bylaws. Also present were Director of Claims Mary B. Boland (in board room), Nancy Gray and Daniel Scott of Aon Insurance Managers (AIM) (virtual). José Pagán – Chair of the NYC Health + Hospitals Board of Directors was also present.

Dr. Calamia chaired the meeting which was called to order at 10:01 AM. The following resolutions were presented to the Board by Dr. Calamia:

- (1) The minutes of the November 5, 2020. A motion to approve the 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. Machele Allen and John Ulberg, Jr. as members of the Board of Directors.
 - the appointment of Dr. Vincent Calamia as Chairman of the Board (4) 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
 - Machele Allen, M.D. Vice-President
 - Andrea Cohen, Esq. Secretary
 - John Ulberg, Jr. Treasurer

Dr. Calamia introduced seven action items/resolutions into the record. Then on motion by Dr. Katz, seconded by Ms. Cohen, the following resolutions were presented to and voted on 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 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 Audited Financial Statements as of December 31, 2020 were approved unanimously.
- H) The Business Continuity Plan was accepted/approved unanimously; and,
- I) The disaster response plan was accepted / approved unanimously.

Daniel Scott presented the following six (6) information items:

- (1) New applications for coverage have been received from 13 Obstetricians/Gynecologists and Neurosurgeons. As of 9/30/2021, there are 291 active physicians in the program. Primary policies have been issued for the current policy year. Applications for excess coverage through MMIP beginning July 1, 2021 were filed for 251 H+H physicians through the Purchasing Group with all physicians deemed eligible to receive excess coverage through the Pool. It was determined during the application process that 42 physicians already had excess coverage under the Plan through other hospitals. There are 13 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, 2021 cession statement from the Pool indicates that the Company has a net equity in the Pool of \$1,788,121.00. Pages 37 & 38 of the board book further detail the Company's participation. No questions were asked.
- (3) The September 30, 2021 interim financial statements were reviewed. As of September 30, 2021, HHC Insurance Company has total assets of \$96,648,538. Of that balance, there's an intercompany receivable of \$92,025,173.00. There is a premium receivable of \$1.4 million which would be cleared before year-end, and rolled into the intercompany loan receivables. There is an MMIP receivable of \$3,220,691.00. The total liabilities, as of 9/30, are \$11,639,582.00. 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, are \$85,008,956.
- (4) Sedgwick CMS has reported 87 open files and 549 closed files for the underwriting years 2005-2021. Of the closed files, 41 were closed with payment and 508 files were closed without payment.
- (5) The company business plan has been approved by the Department of Financial Services (DFS), the pre-disaster survey and disaster response plan questionnaires have been filed. The annual Cyber Security certification has been filed.. All Regulatory matters are current. The Company was examined by the DFS in early 2021. The draft report has not been submitted yet.
- (6) 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 10:18 AM EST.

Mary B. Boland

Mary B. Boland

Date: November 9, 2021

HHC Insurance Company

Intercompany Loan

November 7, 2022

December 31, 2021 Balance	\$ 93,325,173
Proposed Increase – Premium Receivable	<u>\$ 1,300,000 *</u>
Proposed December 31, 2022 Balance	\$ 94,625,173 **

* NYCHHC would pay HHCIC premium receivable due from NYCHHC of up to \$1,300,000 related to the 2022 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.



Statutory 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, 2021 and 2020

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Opinions

We have audited the 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, 2021 and 2020, 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 financial statements.

Unmodified opinion on regulatory basis of accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the admitted assets, liabilities, and surplus of HHC Insurance Company, Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the year ended in accordance with the basis of accounting described in Note A.

Adverse opinion on US generally accepted accounting principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on US Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of HHC Insurance Company, Inc. as of December 31, 2021 and 2020, or the results of its operations or its cash flows for the year then ended.

Basis for opinions

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

Basis for adverse opinion on US generally accepted accounting principles

As described in Note A of the financial statements, the financial statements are prepared using 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 financial statements of the variances between these statutory accounting practices described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the 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 fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HHC Insurance Company, Inc.'s ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 US 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 financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

Grant Thornton LLP

Hartford, Connecticut
June 29, 2022

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,

	<u>2021</u>	<u>2020</u>
ADMITTED ASSETS		
Intercompany loan	\$ 93,325,173	\$ 92,025,173
Due from MMIP	3,227,595	3,186,356
Accounts receivable	<u>1,656</u>	<u>3,929</u>
Total admitted assets	<u><u>\$ 96,554,424</u></u>	<u><u>\$ 95,215,458</u></u>
LIABILITIES AND SURPLUS		
Outstanding losses and loss adjustment expenses	\$ 7,203,614	\$ 8,351,719
Premium deficiency reserve	3,498	1,900
New York Section 206 Fees Payable	1,449	-
Unearned premium	28,875	40,618
Due to parent	1,939,411	1,668,912
Accounts payable and accrued expense	<u>70,104</u>	<u>78,879</u>
Total liabilities	9,246,951	10,142,028
Unassigned surplus	<u>87,307,473</u>	<u>85,073,430</u>
Total liabilities and surplus	<u><u>\$ 96,554,424</u></u>	<u><u>\$ 95,215,458</u></u>

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,

	<u>2021</u>	<u>2020</u>
Underwriting income		
Net premiums earned	\$ 1,358,022	\$ 1,475,236
Net investment income	<u>89,066</u>	<u>124,223</u>
Total underwriting income	1,447,088	1,599,459
Underwriting expenses		
Losses and loss adjustment expenses incurred	(1,059,768)	(1,998,513)
Change in premium deficiency reserve	<u>1,598</u>	<u>(321)</u>
Net underwriting income	2,505,258	3,598,293
Administrative expenses	<u>(271,215)</u>	<u>(257,284)</u>
NET INCOME	2,234,043	3,341,009
Unassigned surplus at beginning of year	<u>85,073,430</u>	<u>81,732,421</u>
Unassigned surplus at end of year	<u><u>\$ 87,307,473</u></u>	<u><u>\$ 85,073,430</u></u>

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,

	<u>2021</u>	<u>2020</u>
Cash flows from operations:		
Amounts received from Parent for payment of losses	\$ 88,337	\$ 148,000
Losses paid	<u>(88,337)</u>	<u>(148,000)</u>
Net cash from operations	<u>-</u>	<u>-</u>
Net change in cash	-	-
Cash at beginning of year	<u>-</u>	<u>-</u>
Cash at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Noncash operating activities:		
Premiums collected	\$ 1,300,000	\$ 1,400,000
Administrative expenses paid	(270,499)	(237,222)
Payments by Parent on behalf of Company	270,499	237,222
Noncash investing activities:		
Increase in loans to Parent	\$ (1,300,000)	\$ (1,400,000)

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, 2021 and 2020

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 0.19% and 0.22% for the MMIP’s 2021 and 2020 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, 2021 and 2020

- 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 \$93.3 million and \$92.0 million effective December 31, 2021 and 2020, 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, 2021 and 2020

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 \$3,498 and \$1,900 were recognized in 2021 and 2020, 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, 2021 and 2020 amounted to \$28,875 and \$40,618, respectively. All unearned premium at December 31, 2021 and 2020 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 \$5,304 in 2021 and \$5,768 in 2020. The Company incurred New York Section 206 assessment fees of \$9,657 in 2021 and \$8,728 in 2020. The Company also incurred underwriting expenses as a result of participating in the MMIP of \$5,734 in 2021 and \$6,376 in 2020. Other administrative expenses include letter of credit fees, audit, actuarial, captive management and consulting service fees of \$250,520 in 2021 and \$236,412 in 2020. Total administrative expenses incurred totaled \$271,215 in 2021 and \$257,284 in 2020.

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

NOTES TO STATUTORY FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

NOTE 3 - MMIP ACTIVITY

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

	2021	2020
Admitted assets		
Due from MMIP	\$ 3,227,595	\$ 3,186,356
Total admitted assets	<u>\$ 3,227,595</u>	<u>\$ 3,186,356</u>
Liabilities		
Reserve for losses and loss adjustment expenses	\$ 1,369,806	\$ 1,477,911
Premium deficiency reserve	3,498	1,900
Unearned premiums reserves	<u>28,875</u>	<u>40,618</u>
Total liabilities	1,402,179	1,520,429
Accumulated surplus	<u>1,825,417</u>	<u>1,665,927</u>
Total liabilities and accumulated surplus	<u>\$ 3,227,595</u>	<u>\$ 3,186,356</u>
	2021	2020
Premiums written	\$ 46,279	\$ 74,967
Change in unearned premium reserves	<u>11,743</u>	<u>269</u>
Total underwriting income	58,022	75,236
Underwriting (recoveries) expenses	<u>(12,436)</u>	<u>33,704</u>
Net underwriting income	70,458	41,532
Net investment income	<u>89,032</u>	<u>124,224</u>
Net income	<u>\$ 159,490</u>	<u>\$ 165,756</u>

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

NOTES TO STATUTORY FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

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:

	2021	2020
Balance as of January 1	\$ (1,668,912)	\$ (1,283,690)
Administrative expenses paid	(182,162)	(237,222)
Losses paid	(88,337)	(148,000)
	<u>\$ (1,939,411)</u>	<u>\$ (1,668,912)</u>
Balance as of December 31	<u>\$ (1,939,411)</u>	<u>\$ (1,668,912)</u>

NOTE 5 - OUTSTANDING LOSSES AND LOSS ADJUSTMENT EXPENSES

The summary of changes in outstanding losses and loss adjustment expenses for 2021 and 2020 are as follows:

	2021	2020
Balance as of January 1	\$ 8,351,719	\$ 10,541,514
Incurred losses related to		
Current year	1,332,279	1,439,554
Prior year	(2,392,047)	(3,438,067)
	<u>(1,059,768)</u>	<u>(1,998,513)</u>
Total incurred	<u>(1,059,768)</u>	<u>(1,998,513)</u>
Paid losses related to		
Current year	-	(117)
Prior year	(88,337)	(191,165)
	<u>(88,337)</u>	<u>(191,165)</u>
Total paid	<u>(88,337)</u>	<u>(191,282)</u>
Balance as at December 31	<u>\$ 7,203,614</u>	<u>\$ 8,351,719</u>

The gross provision for insured events of prior years' decreased by \$2,359,768 and \$3,438,067 in 2021 and 2020, respectively, due to favorable loss development. The favorable development for 2021 and 2020 is primarily the result of a significant number of claims closing without any liability to the physicians insured by the Company.

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

NOTES TO STATUTORY FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

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 \$91,167 and \$90,900 are included in administrative expenses in the accompanying statutory statement of operations and changes in surplus for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021, and 2020, 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, 2022. The letter of credit was renewed on May 22, 2022 and now expires on May 22, 2023.

Management is not aware of any potential matters, including litigation nor 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, and total unassigned surplus as presented in the Company's annual report at December 31, 2021 and 2020 as filed with NYSDFS, to the amounts shown in the accompanying financial statements:

	2021		
	Total Assets	Total Liabilities	Total Unassigned Surplus
Amounts per annual report	\$ 96,804,424	\$ 9,246,951	\$ 87,557,473
Adjustment for letter of credit	(250,000)	-	(250,000)
Per audited financial statements	<u>\$ 96,554,424</u>	<u>\$ 9,246,951</u>	<u>\$ 87,307,473</u>

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

NOTES TO STATUTORY FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

	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	<u>\$ 95,215,458</u>	<u>\$ 10,142,028</u>	<u>\$ 85,073,430</u>

There were no differences between net income reported in the audited financial statements and the annual report at December 31, 2021 and 2020 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 June 29, 2022 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	Brief BRT members on situation status/known facts. Gather additional facts People: Are there injuries, fatalities? Where are colleagues? Building: Is there damage? What is the accessibility and security situation? Power? Network? Mail services? Printing/copy services? What is the anticipated restoration timeline? 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)? Markets/vendors: Are there impacts to markets or key vendors? Key Brief attendees on situation suppliers? Do notifications need to be sent?		

		<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 breeches (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	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)?		
6	Meeting cadence	Determine next meeting time, date, and location. Determine frequency of meetings and communication updates.		

Employee Call List Directory

Employee Name	Job Title	Work #:	Work Email:
Sheila Gomez	Claims Manager/Senior Counsel	646-694-6637	gomezs11@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
Mike Batsimm	Captive Manager	802-264-0746	Mike.Batsimm@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)Mike Batsimm – Aon Insurance Managers
3. Sheila Gomez O: 646-694-6637 gomezs11@nychhc.org	<ul style="list-style-type: none">David Cheung – NYC Health + HospitalsAndrea Cohen – NYH Health + HospitalsNYC Health + Hospitals Functions (as required)
4. Mike Batsimm O: 802-264-0746 mike.batsimm@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

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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. Sheila Gomez O: 646-694-6637 Gomezs11@nychhc.org	<ul style="list-style-type: none">David Cheung – NYC Health + HospitalsAndrea Cohen – NYH Health + HospitalsNYC Health + Hospitals Functions (as required)
4. Mike Batsimm O: 802-264-0746 Mike.Batsimm@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 June 30, 2022

NAIC Code	Member Companies	Members' Surplus (Collected At Policy Year)																				Total	
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025				
34231	MLM Insurance Company	(31,832)	(400,566)	(223,018)	(1,230,026)	(2,104,248)	12,505,270	9,350,009	13,123,403	13,888,967	7,338,556	14,117,754	9,782,946	14,156,966	8,111,848	8,884,181	8,341,754	8,857,811	8,717,172	2,167,327	19,163	(4,862,249)	115,758,680
30317	Hospital Insurance Company, Inc.	(8,146)	(92,813)	(45,960)	(177,521)	(396,000)	1,178,003	830,476	1,527,832	2,513,408	1,664,939	3,790,198	2,787,741	5,863,153	3,212,173	2,984,804	4,119,388	3,584,610	3,293,113	941,345	11,400	(2,779,494)	30,880,480
41487	Physicians Malpractice Insurers	(9,292)	(136,906)	(89,740)	(445,229)	(912,870)	6,880,184	4,379,033	8,813,864	7,761,730	4,612,780	9,478,627	8,223,944	9,593,937	6,348,827	4,763,746	6,835,118	4,867,156	4,980,582	970,807	8,779	(2,283,312)	(2,887,488)
21390	EnPRA Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42544	The Goetzts Company an Interscholar Exchange Academic Health Professionals Ins. Assoc.	(1,128)	(14,828)	(7,999)	(38,291)	(72,942)	425,904	340,119	823,040	655,114	512,642	1,118,286	872,515	1,488,999	942,059	895,134	1,330,386	1,331,173	1,293,451	304,595	3,940	(229,429)	11,458,568
35157	Fair American Insurance and Reinsurance Co.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0
14480	Professional Insurance Company of America	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20427	American Casualty Co. of Reading, Pa.	(6)	(75)	(119)	(407)	(737)	24,920	19,622	27,196	196,458	110,180	222,400	159,423	264,258	166,591	130,651	183,188	165,724	189,876	52,271	468	(10,742)	116,319
20443	Continental Casualty Company	(582)	(1,334)	(3,740)	(16,082)	(28,472)	181,236	101,362	138,453	139,045	91,816	181,679	101,255	197,329	68,791	83,751	100,752	73,854	78,629	38,490	70	(51,474)	(88,144)
23541	New Hampshire Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22730	Atlas World Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10801	Fortune Insurance Company	0	(1,557)	(796)	(4,275)	(10,583)	72,404	40,880	64,282	88,827	33,666	72,045	91,705	93,665	67,328	48,575	61,825	52,238	53,086	16,156	154	(42,812)	(45,969)
23647	Intertone Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43460	Ayer American Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12227	HMC Insurance Company, Inc.	0	0	0	0	0	0	114,463	281,852	362,959	149,967	313,230	161,577	163,913	84,078	73,701	105,332	75,655	68,395	9,979	98	(24,150)	1,894,594
10077	Criticalmass Insurance Company	0	0	0	(204)	(370)	2,266	1,636	2,472	2,874	3,061	3,132	2,154	3,345	11,465	0	1,501	0	0	0	0	(1,098)	30,041
22687	Avi American Insurance Company	0	0	(568)	(11,064)	(22,104)	131,390	91,571	126,091	136,371	88,758	184,811	101,255	83,829	40,128	36,175	50,376	36,028	3,539	0	0	0	1,074,585
19488	Allied World Assurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,560	54,029	51,817	22,334	66	(2,195)	250,194
16024	Allied World Specialty Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12246	American Continental Insurance Co.	(143)	(1,186)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26247	American Guarantee & Liability Ins. Co.	0	0	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19380	American Home Assur. Company	(24)	0	0	(294)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21587	American Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15910	American Protection Insurance Co. (Insolvent)	0	(2,701)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40412	American Zurich Insurance Company	0	0	191	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11150	Arch Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27154	Atlantic Specialty Insurance Company **	0	0	0	0	0	29,451	34,339	22,251	28,739	18,363	31,324	23,698	20,071	13,376	11,725	16,029	66,649	17,895	0	0	0	0
37540	Baileys Insurance Company, Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19518	Calix Insurance Company, Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22810	Chicago Insurance Company	0	0	0	(294)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23330	Chicochew Indemnity Company (The)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24872	Connecticut Indemnity Company (The)	(35,292)	(16,105)	(2,430)	33,838	48,720	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35181	Executive Risk Indemnity Inc.	(96)	(2,888)	(2,389)	(12,822)	(9,210)	86,087	16,392	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21875	Farmers' Fund Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34256	Forestar Insurance Company (Insolvent)	(2,758,781)	(289,809)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24782	General Insurance Company of America	(48)	(223)	(1,512)	(2,547)	(2,947)	40,778	16,392	27,196	21,391	7,651	16,662	4,309	3,345	1,911	0	0	0	0	0	0	0	0
11987	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	0	0
25224	General Star Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34223	Group General Mutual Ins. Company (Insolvent)	(1,864,861)	(737,896)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22217	Gulf Insurance Company	(221)	(12,677)	(5,214)	(611)	(18,789)	99,860	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12518	Healthcare Professionals Ins. Company, Inc. *	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34452	Homeland Insurance Company of NY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24422	Integrity Insurance Company (Insolvent)	(333,333)	(202,866)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19917	Liberty Insurance Underwriters, Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11991	National Casualty Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20478	National Fire Insurance Co. of Hartford	(30)	(5,029)	(976)	(1,018)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20582	National Liability & Fire Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19448	National Union Fire Ins. Co. of Pittsburgh, Pa.	(2,017)	(13,270)	(8,245)	(44,787)	(92,880)	488,948	30,656	692,267	227,294	179,042	413,470	280,067	418,146	229,304	87,101	123,650	117,080	118,550	33,283	0	0	0
10222	NAICO Assurance Company, Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35718	NAICO Insurance Company (Insolvent)	(130,630)	(10,538)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15475	Northbrook Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24457	Phenix River Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24902	Reliance Insurance Company (Insolvent)	(55,931)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24902	Security Insurance Company of Hartford	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24907	St. Paul Fire & Marine Insurance Company	(444)	(3,180)	0	(3,482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24791	St. Paul Mercury Insurance Company	(8)	(79)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25495	State National Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12531	State National Insurance Company	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35554	TD Insurance Company	(400)	(8,070)	(3,482)	(12,825)	(4,421)	6,798	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Medical Malpractice Insurance Pool of New York State
Summary of Participation Factors & Members' Surplus
As of June 30, 2022

NAIC Code		Market Capitalization		Executive Compensation Data (2010-2020)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
				2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496
1421	MetLife Insurance Company	55.34%	55.24%	55.04%	55.04%	57.12%	56.20%	57.18%	56.18%	57.23%	47.88%	45.07%	45.41%	42.17%	42.24%	42.09%	43.34%	38.07%	37.86%	45.61%	40.86%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%	38.26%																																																																																																												

* includes HANYS Trust (PY2005-2007)

** Includes Onebeacon Ins. Co. (PY2005-2013)

HHC Insurance Company, Inc.

Comparative Balance Sheets

As of June 30, 2022 and December 31, 2021

Unaudited

	As of June 30, 2022	As of December 31, 2021
<u>ASSETS</u>		
Premium Receivable	\$ 1,300,000	\$ -
Intercompany Loan Receivable	93,325,173	93,325,173
MMIP Receivable	3,158,924	3,227,595
Deferred Premium Taxes	2,600	-
Prepaid New York Premium Taxes	-	1,656
Prepaid New York Section 206 Fees	813	-
TOTAL ASSETS	\$ 97,787,510	\$ 96,554,424
<u>LIABILITIES</u>		
Outstanding Loss and LAE Reserves	\$ 2,424,428	\$ 3,140,017
Incurred But Not Reported Loss & LAE Reserves	5,329,670	4,063,597
Premium Deficiency Reserve	1,039	3,498
Unearned Premium	656,379	28,875
Accounts Payable	61,374	70,104
Intercompany Payable	2,050,505	1,939,411
New York Section 206 Fees Payable	-	1,449
Premium Taxes Payable	3,556	-
TOTAL LIABILITIES	\$ 10,526,951	\$ 9,246,951
<u>NET ASSETS</u>		
Available for Operations - Prior Year	87,307,473	85,073,430
Available for Operations - Current Year	(46,914)	2,234,043
TOTAL NET ASSETS	87,260,559	87,307,473
TOTAL LIABILITIES AND NET ASSETS	\$ 97,787,510	\$ 96,554,424

HHC Insurance Company, Inc.

Balance Sheets - Direct vs. MMIP

As of June 30, 2022

Unaudited

	<u>Direct</u>	<u>MMIP</u>	<u>Combined</u>
<u>ASSETS</u>			
Premium Receivable	\$ 1,300,000	\$ -	\$ 1,300,000
Intercompany Loan Receivable	93,325,173	-	93,325,173
MMIP Receivable	-	3,158,924	3,158,924
Deferred Premium Taxes	2,600	-	2,600
Prepaid New York Section 206 Fees	813	-	813
TOTAL ASSETS	\$ 94,628,586	\$ 3,158,924	\$ 97,787,510
<u>LIABILITIES</u>			
Outstanding Loss and LAE Reserves	\$ 1,457,000	\$ 967,428	\$ 2,424,428
Incurred But Not Reported Loss & LAE Reserves	5,026,808	302,862	5,329,670
Premium Deficiency Reserve	-	1,039	1,039
Unearned Premium	650,000	6,379	656,379
Accounts Payable	61,374	-	61,374
Intercompany Payable	2,050,505	-	2,050,505
Premium Taxes Payable	3,556	-	3,556
TOTAL LIABILITIES	\$ 9,249,243	\$ 1,277,708	\$ 10,526,951
<u>NET ASSETS</u>			
Available for Operations - Prior Year	85,482,056	1,825,417	87,307,473
Available for Operations - Current Year	(102,713)	55,799	(46,914)
TOTAL NET ASSETS	85,379,343	1,881,216	87,260,559
TOTAL LIABILITIES AND NET ASSETS	\$ 94,628,586	\$ 3,158,924	\$ 97,787,510

HHC Insurance Company, Inc.

Comparative Statements of Income

For the Year to Date Ended June 30, 2022 and 2021

Unaudited

	YTD June 30, 2022	YTD June 30, 2021
<u>INCOME</u>		
Gross Premium Written	\$ 1,304,956	\$ 1,409,662
Change in Unearned Premium	(627,504)	(666,795)
Gross Premium Earned	677,452	742,867
Interest Income	50	49,132
TOTAL INCOME	677,502	791,999
<u>EXPENSES</u>		
Net Losses and Loss Adjustment Expenses Incurred	621,873	671,576
Change in Premium Deficiency Reserve	(2,459)	(1,504)
Underwriting Expenses	6,600	11,558
General & Administrative Expenses	98,402	98,460
TOTAL EXPENSES	724,416	780,090
CHANGE IN UNRESTRICTED NET ASSETS	\$ (46,914)	\$ 11,909

HHC Insurance Company, Inc.

Statements of Income - Direct vs. MMIP

For the Year to Date Ended June 30, 2022

Unaudited

	Direct	MMIP	Combined
<u>INCOME</u>			
Gross Premium Written	\$ 1,300,000	\$ 4,956	\$ 1,304,956
Change in Unearned Premium	(650,000)	22,496	(627,504)
Gross Premium Earned	650,000	27,452	677,452
Interest Income	-	50	50
TOTAL INCOME	650,000	27,502	677,502
<u>EXPENSES</u>			
Net Losses and Loss Adjustment Expenses Incurred	650,000	(28,127)	621,873
Change in Premium Deficiency Reserve	-	(2,459)	(2,459)
Underwriting Expenses	4,311	2,289	6,600
General & Administrative Expenses	98,402	-	98,402
TOTAL EXPENSES	752,713	(28,297)	724,416
CHANGE IN UNRESTRICTED NET ASSETS	\$ (102,713)	\$ 55,799	\$ (46,914)

HHC Insurance Company, Inc.

Schedule of Expenses

For the Year to Date Ended June 30, 2022 and 2021

Unaudited

	<u>6/30/2022</u>	<u>6/30/2021</u>
<u>UNDERWRITING EXPENSES</u>		
New York Premium Taxes	\$ 2,611	\$ 2,822
Other Taxes and Expenses	2,289	3,265
Insurance Department Assessment Fees - Sec 206	1,700	5,472
	<hr/>	<hr/>
TOTAL UNDERWRITING EXPENSES	\$ <u>6,600</u>	\$ <u>11,559</u>
<u>GENERAL & ADMINISTRATIVE EXPENSES</u>		
Actuarial Fees	\$ 14,000	\$ 14,000
State Examination Fees	209	-
Insurance Consulting Services - AHPIA	37,800	37,800
LOC Fees	943	943
Management Fees	45,450	45,717
	<hr/>	<hr/>
TOTAL GENERAL & ADMINISTRATIVE EXPENSES	\$ <u>98,402</u>	\$ <u>98,460</u>

HHC Insurance Company, Inc.

Schedule of Receivables and Payables

As of June 30, 2022 and December 31, 2021

	Unaudited 6/30/2022	12/31/2021
<u>MMIP RECEIVABLE</u>		
Premium Receivable	\$ 5,289,980	\$ 5,285,024
Underwriting Expenses Payable	(441,182)	(438,895)
Interest Income Receivable	1,289,461	1,289,411
Losses & LAE Paid	(2,979,335)	(2,907,945)
TOTAL MMIP RECEIVABLE	\$ 3,158,924	\$ 3,227,595
<u>INTERCOMPANY RECEIVABLE (PAYABLE)</u>		
Income from MMIP	\$ 2,032,537	\$ 2,032,537
Other Interest Income	34	34
Less:		
LOC Fees	(178,110)	(177,162)
AHPIA Consulting Service	(1,154,775)	(1,116,975)
Aon Management Fees	(1,000,195)	(932,020)
Actuarial Fees	(445,601)	(445,601)
Audit Fees	(654,100)	(654,100)
State Examination Fees	(35,676)	(35,467)
Premium Taxes	(449,605)	(449,605)
Assessment Fees	(728,811)	(724,849)
Losses Paid	(13,811,030)	(13,811,030)
Transfer to Intercompany Loan Receivable	14,374,827	14,374,827
TOTAL INTERCOMPANY RECEIVABLE/(PAYABLE)	\$ (2,050,505)	\$ (1,939,411)
<u>ACCOUNTS PAYABLE</u>		
LOC Fees Payable	\$ 474	\$ 479
AHPIA-Consulting Services	18,900	18,900
Aon Insurance Managers - Management Fees	-	22,725
Actuarial Fee	42,000	28,000
TOTAL ACCOUNTS PAYABLE	\$ 61,374	\$ 70,104
<u>STATE TAXES PAYABLE</u>		
Premium Taxes Payable (Receivable), beginning of period	\$ (1,656)	\$ (1,662)
NY Section 206 Fees Payable (Receivable), beginning of period	1,449	(2,268)
Current Period Liability - Premium Taxes	5,211	5,304
Current Period Payments - Premium Taxes	-	(5,298)
Current Period Liability - NY Section 206	1,700	9,657
Current Period Payments - NY Section 206	(3,962)	(5,940)
TOTAL PREMIUM TAXES PAYABLE (RECEIVABLE)	\$ 3,556	\$ (1,656)
TOTAL NY SECTION 206 FEES PAYABLE (RECEIVABLE)	\$ (813)	\$ 1,449

HHC Insurance Company, Inc.
NYCHHC Underwriting Results by Underwriting Year
As of June 30, 2022

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	1,880,953	26,950	518	1,908,421	10,491,579	2	45	0
2007	1/1/07 - 12/31/07	16,500,000	16,500,000	489,938	14,820	1,220	505,978	15,994,022	2	37	0
2008	1/1/08 - 12/31/08	12,100,000	12,100,000	1,772,444	66,660	607	1,839,711	10,260,289	3	47	0
2009	1/1/09 - 12/31/09	12,400,000	12,400,000	3,905,656	134,280	14,979	4,054,915	8,345,085	6	71	1
2010	1/1/10 - 12/31/10	14,000,000	14,000,000	2,031,952	153,000	14,750	2,199,702	11,800,298	4	45	1
2011	1/1/11 - 12/31/11	6,200,000	6,200,000	1,084,308	61,887	13,923	1,160,118	5,039,882	3	36	1
2012	1/1/12 - 12/31/12	5,400,000	5,400,000	1,821,160	54,617	49,445	1,925,222	3,474,778	4	38	1
2013	1/1/13 - 12/31/13	5,400,000	5,400,000	328,469	74,910	383,727	787,106	4,612,894	2	41	0
2014	1/1/14 - 12/31/14	5,500,000	5,500,000	1,297,051	84,590	5,258	1,386,899	4,113,101	5	30	0
2015	1/1/15 - 12/31/15	5,500,000	5,500,000	905,301	101,130	48,483	1,054,914	4,445,086	4	43	5
2016	1/1/16 - 12/31/16	3,200,000	3,200,000	351,069	699,380	156,526	1,206,975	1,993,025	4	27	6
2017	1/1/17 - 12/31/17	1,800,000	1,800,000	84,824	74,518	551,581	710,923	1,089,077	2	29	6
2018	1/1/18 - 12/31/18	1,800,000	1,800,000	8	65,358	475,223	540,589	1,259,411	0	10	7
2019	1/1/19 - 12/31/19	1,700,000	1,700,000	332	129,070	934,421	1,063,823	636,177	0	9	23
2020	1/1/20 - 12/31/20	1,400,000	1,400,000	407	546,545	729,628	1,276,580	123,420	0	3	10
2021	1/1/21 - 12/31/21	1,400,000	1,050,000	-	68,470	1,290,907	1,359,377	(309,377)	0	5	10
2022	1/1/22 - 12/31/22	1,300,000	650,000	-	-	650,000	650,000	-	0	0	0
Total		\$ 114,800,000	\$ 113,800,000	15,953,872	\$ 2,356,185	\$ 5,321,196	\$ 23,631,253	\$ 90,168,747	41	524	71

HHC Insurance Company

Summary of Business Plan Updates to the State of New York

November 5, 2021 through November 7, 2022

Date	Summary Description	Date Approved
10/13/2022	Permitted practice request to file on statutory basis versus GASB.	
10/13/2022	Request for waiver of actuarial certification on MMIP reserves.	
10/13/2022	Permitted practice request to carry MMIP balances on statutory basis of accounting	

Regulatory Compliance Review - 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 12/31/21 Annual Report – NY Article 70 Sec. 7006(a)	03/01/2022	Aon	Filed
b) 2021 Annual Certification of Loss Reserves	03/01/2022	Aon & Independent actuary	Filed
c) 2021 Annual Certification of Cyber Security Compliance Rule Section 500.17	02/15/2022	Aon	Filed
d) 2021 NY Captive Franchise Tax Return - Article 70 Sec. 7012	04/15/2022	Aon	Filed
e) Pre-Disaster Data Survey	05/10/2022	Aon	Filed
f) 2022 NY Captive Franchise Tax Deposits – Quarterly Installment Payments	03/15/2022 07/15/2022 09/15/2022 12/15/2022	Aon	Filed Filed Filed Filed
g) Disaster Response Questionnaire	06/28/2022	Aon	Filed
h) Disaster Response Plan	06/28/2022	Aon	Filed
i) Business Continuity Questionnaire	06/28/2022	Aon	Filed
j) 2021 Annual Audited Financial Statements Article 70 Sec. 7006(b)	07/01/2022	Aon & Independent auditor	Filed
o) 1099 Forms Filed with IRS Only	01/31/2021	Prepared by Aon as directed by Client	Filed

Corporate Documentation	Due Date	Responsible Party	Comments
a) Biographical affidavits on file with the Vermont Dept. of Financial Regulation	Upon change	Aon	In Compliance
b) Annual Board of Directors Meeting - Article 70 Sec. 7003 (b) (2)	Annually	Aon	Scheduled for Nov 7, 2022
d) Business Continuity Plan reviewed by Board of Directors or Relevant Committee			Scheduled for Nov 7, 2022
e) 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)	All reinsurers approved – Article 70 Sec. 7010	Date of change	Aon	In Compliance

Financial Standing	Comments
a) Minimum unimpaired capital and surplus of \$250,000 – Article 70, Section 7004	In Compliance

Examination Process	Comments
a) The Company as examined in 2021 as of December 31, 2019 - subject to exam every 5 years – Article 70, Section 7007	Next anticipated exam as of 2024

Policy Documentation	Comments
a) Copy of policies on file with the Company	In Compliance
b) Copy of ceded reinsurance agreements between reinsurers and the Company on file with Company	In Compliance

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, 2022
50 Water Street, 17th Floor
New York, NY

Meeting for the Public

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

	Page
1. Election of Officers for the Ensuing Year	
2. 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 1, 2021.

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 1, 2021 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 2022. 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.

**MINUTES OF ANNUAL MEETING OF THE HHC PHYSICIANS PURCHASING
GROUP, INC.**

A meeting of the Board of Directors of the HHC Physicians Purchasing Group, Inc., (hereinafter, the “PPG”) was held in the 15th floor conference room at 50 Water Street, New York, New York on the 1st day of November 2021, 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 NYC Health + Hospitals internet site. The following Directors were present virtually, constituting a quorum:

Mitchell Katz, M.D.
Andrea Cohen, Esq.
Vincent Calamia, M.D.

John Ulberg, Jr. was represented by his delegate, Jay Weinman as per the HHCIC Bylaws. Also present were Director of Claims Mary B. Boland (in board room), Nancy Gray and Daniel Scott of Aon Insurance Managers (AIM) (virtual).

The meeting was called to order at 10:18 AM by Dr. Calamia. The following resolutions were presented to the Board by Dr. Calamia, and upon motion by Dr. Katz, seconded by Ms. Cohen, were unanimously approved by the Board:

- (1) Approval of the minutes of the November 5, 2020 annual meeting;
- (2) The confirmation/acknowledgment of the appointment of the current Board of Directors with the appointment of Dr. Calamia as the Chairman; and,
- (3) The appointment of the following officers of the HHC Physicians Purchasing Group Inc.:
 - Vincent Calamia, M.D. President
 - Machel Allen, M.D. Vice-President
 - Andrea Cohen, Esq. Secretary
 - John Ulberg, Jr. Treasurer

INFORMATION ITEMS:

Daniel Scott presented two information items:

- (1) The PPG has been registered and approved by the New York State Department of Financial Services to act as a purchasing group within the State. The business of the PPG is to obtain on behalf of its members, who are employees of NYCHHC’s affiliates, primary insurance for medical malpractice from the HHC Insurance Company (“HHCHC”, 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 HHCIC for 2020. Insurance policies have been issued for the PPG by the HHCIC. The members of the PPG have also received excess coverage in the amount of \$1 million per occurrence/\$3 million in the aggregate from MMIP (unless they have coverage through another excess carrier which would then write the excess coverage for the covered physician).

ADJOURNMENT:

There being no further business before the Board, the meeting was adjourned at 10:20 PM.



Mary B. Boland

Date: November 9, 2021