REPORT ON EXAMINATION

OF THE

HEALTHPLEX INSURANCE COMPANY

DECEMBER 31, 2012

DATE OF REPORT **JUNE 25, 2015**

EXAMINER **VICTOR ESTRADA**

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Andrew M. Cuomo
Governor

Anthony J. Albanese
Acting Superintendent

June 25, 2015

Honorable Anthony J. Albanese
Acting Superintendent of Financial Services
Albany, New York 12257

Sir:

Pursuant to the requirements of the New York Insurance Law, and acting in accordance with the instructions contained in Appointment Number 31034, dated September 4, 2013, attached hereto, I have made an examination into the condition and affairs of Healthplex Insurance Company, an accident and health insurance company licensed pursuant to the provisions of Article 42 of the New York Insurance Law, as of December 31, 2012, and respectfully submit the following report thereon.

The examination was conducted at the statutory home office of Healthplex Insurance Company, located at 333 Earle Ovington Boulevard, Uniondale, New York.

Wherever the designations the "Company" or "HIC" appear herein, without qualification, they should be understood to indicate Healthplex Insurance Company.

Wherever the designations "Healthplex" or the "Parent" appear herein, without qualification, they should be understood to indicate Healthplex, Inc., HIC's parent company.

Wherever the designation the "Department" appears herein, without qualification, it should be understood to indicate the New York State Department of Financial Services.

1. SCOPE OF EXAMINATION

The previous examination was conducted as of December 31, 2009. This examination was a combined (financial and market conduct) examination and covers the three-year period January 1, 2010 through December 31, 2012. The financial component of the examination was conducted as a financial examination, as defined in the National Association of Insurance Commissioners ("NAIC") *Financial Condition Examiners Handbook*, 2012 Edition (the "Handbook"). The examination was conducted observing the guidelines and procedures in the Handbook and where deemed appropriate by the examiner, transactions occurring subsequent to December 31, 2012 were reviewed.

The financial portion of the examination was conducted on a risk-focused basis, in accordance with the provisions of the Handbook, which provides guidance for the establishment of an examination plan based on the examiner's assessment of risk in the Company's operations and utilizes that evaluation in formulating the nature and extent of the examination. The examiner planned and performed the examination to evaluate the Company's current financial condition, as well as identify prospective risks that may threaten the future solvency of HIC.

The examiner identified key processes, assessed the risks within those processes and assessed the internal control systems and procedures used to mitigate those risks. The examination also included an assessment of the principles used and significant estimates made by management, an evaluation of the overall financial statement presentation, and determined management's compliance with the Department's statutes and guidelines, Statutory Accounting Principles, as adopted by the Department, and annual statement instructions.

Information concerning the Company's organizational structure, business approach and control environment were utilized to develop the examination approach. The examination evaluated the Company's risks and management activities in accordance with the NAIC's nine branded risk categories.

These categories are as follows:

- Pricing/Underwriting
- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity
- Legal
- Reputational

The Company was audited annually, for the years 2010 through 2012, by the accounting firm of Withum, Smith & Brown, PC ("WSB"). The Company received an unqualified opinion in each of those years. Certain audit workpapers of Withum, Smith & Brown, PC were reviewed and relied upon in conjunction with this examination.

The examiner reviewed the corrective actions taken by the Company with respect to the recommendations contained in the prior report on examination. The results of the examiner's review are contained in Item 6 of this report.

This report on examination is confined to financial statements and comments on those matters which involve departures from laws, regulations or rules, or which are deemed to require explanation or description.

2. DESCRIPTION OF THE COMPANY

Healthplex Insurance Company was incorporated on June 12, 1998. The declaration of intention and charter were approved by the State of New York Insurance Department (in 2011, the New York Insurance Department became the Department of Financial Services) pursuant to Section 1201 of the New York Insurance Law and placed on file with the Department on the same date.

Healthplex Insurance Company offers dental contracts to groups in the New York metropolitan area, although the Company focuses almost solely on small groups. The Company began writing business in March 2003.

A. Management and Controls

Pursuant to the Company's charter and by-laws, management of the Company is to be vested in a Board of Directors consisting of not less than thirteen (13) nor more than twenty-one (21) members. As of the examination date, the Board of Directors was comprised of thirteen members. The thirteen Board members and their principal business affiliations as of December 31, 2012, were as follows:

Name and Residence	Principal Business Affiliation
Dr. Michael Carnicelli* St. Augustine, FL	Retired
Karen Cuchel-Dubow Brooklyn, NY	Retired
Dr. Stephen J. Cuchel Roslyn Harbor, NY	Chairman and Co-Chief Executive Officer, HIC and Healthplex, Inc.

Name and Residence	Principal Business Affiliation
Dr. George Kane Sarasota, FL	Vice President and Treasurer, HIC and Healthplex, Inc.
Martha Kane Hewlett Harbor, NY	Retired
Dr. Martin Kane Hewlett Harbor, NY	President, HIC and Healthplex, Inc.
Dr. Stephan Leibowitz Old Bridge, NJ	Dental Director, Healthplex, Inc.
Joanne Malin Garden City, NY	Assistant Vice President, Healthplex, Inc.
Philip J. Rizzuto, Jr. North Merrick, NY	Vice President of IT, HIC and Healthplex, Inc.
Christopher Schmidt New York, NY	Chief Operating Officer, HIC and Healthplex, Inc.
Valerie Vignola Bellmore, NY	Chief Financial Officer, Healthplex, Inc.
George Wang New York, NY	Attorney, Haynes & Boone, LLP
Sharon Zelkind Muttontown, NY	Senior Vice President, Healthplex, Inc.

[*] Replaced by Rebekah Kane on July 26, 2013.

According to its by-laws, HIC's Board is required to meet once a year for an annual meeting, may hold special meetings as desired and is to conduct quarterly meetings after said annual meeting. The Board of Directors of HIC met at least quarterly during the period January 1, 2010 through December 31, 2012. A review of the minutes of the Board of Directors' meetings indicated that the meetings were generally well attended, with all members attending at least one-half of the meetings they were eligible to attend.

The principal officers of the Company as of December 31, 2012 were as follows:

Officers	Title
Martin Kane	President
Valerie Vignola	Secretary
George Kane	Treasurer
Christopher Schmidt	Chief Operating Officer
Phillip J. Rizzuto, Jr.	Vice President

B. Territory and Plan of Operation

Healthplex Insurance Company is licensed pursuant to Article 42 of the New York Insurance Law and is authorized to write accident and health insurance as defined in paragraphs 3(i) and (ii) of Section 1113(a) of the New York Insurance Law. Healthplex Insurance Company is licensed to conduct business only in New York State. Based upon the line of business for which the Company is licensed, and pursuant to the requirements of Article 42 of the New York Insurance Law, the Company is required to maintain minimum capital of $300,000. The Company maintained its minimum capital and risk based capital requirements throughout the examination period.

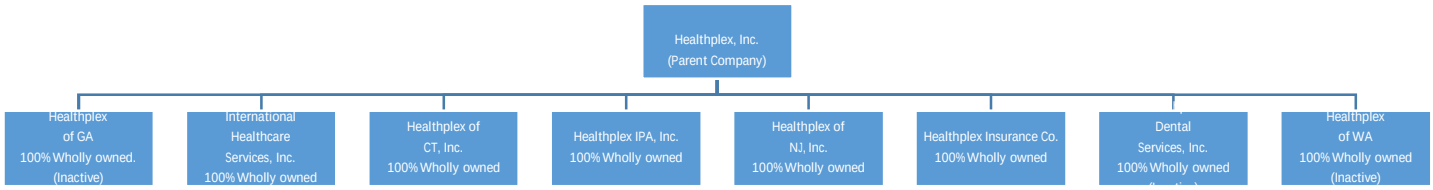
The Company's direct premiums written ("DPW") and enrollment during the three-year examination period were as follows:

Calendar Year	Direct Premiums Written	Enrollment	Premium to Capital and Surplus
2010	$ 922,601	3,249	1.0
2011	$ 2,785,413	15,328	2.8
2012	$ 5,127,451	19,287	4.0

C. Holding Company System

Healthplex Insurance Company is a wholly-owned subsidiary of Healthplex, Inc., a privately held New York corporation. As a member of a holding company system, HIC is required to file registration statements pursuant to the requirements of Article 15 of the New York Insurance Law and Department Regulation No. 52 (11 NYCRR 80). The Company made all of its pertinent filings regarding the aforementioned statutes during the examination period.

The structure of the holding company system as of the examination date was as follows:



HIC does not have any employees and the business operations and affairs of the Company are effectuated by Healthplex, Inc. (the "Parent") pursuant to the terms of an amended Administrative Services Agreement. This amendment was approved by the Department on April 26, 2011 pursuant to Section 1505(d)(3) of the New York Insurance Law. The services covered by this agreement include, but are not limited to: marketing, management, claims processing, electronic data processing, consulting, and administrative services.

The Company has a consolidated Tax Allocation Agreement with its Parent, with an effective date of March 29, 1999. This Agreement was found to be consistent with the guidelines contained in Circular Letter No. 33 (1979), and was approved by the Department on March 9, 1999, pursuant to Section 1505(d)(3) of the New York Insurance Law. However, the Company elected to be treated as an S Corporation, effective January 1, 2005; accordingly, no provision for federal taxes is made.

D. Significant Operating Ratios

The underwriting ratios presented below are on an earned-incurred basis and encompass the three-year period covered by this examination:

	Amounts	Ratios
Claims incurred	$ 6,523,128	73.8%
Claims adjustment expenses incurred	102,792	1.2%
General administrative expenses incurred	1,868,759	21.2%
Net underwriting gain	340,776	3.9%
Premiums earned	$ 8,835,455	100.0%

E. Reinsurance

The Company neither assumed nor ceded any reinsurance during the examination period.

3. FINANCIAL STATEMENTS

A. Balance Sheet

The following shows the assets, liabilities, and surplus as of December 31, 2012, as contained in the Company's 2012 filed annual statement, a condensed summary of operations and a reconciliation of the capital and surplus account for each of the years under review. The examiner's review of a sample of transactions did not reveal any differences which materially affected the Company's financial condition as presented in its financial statements contained in the December 31, 2012 filed annual statement.

Independent Accountants

Withum, Smith and Brown, PC ("WSB") was retained by the Company to audit the Company's combined statutory basis statements of financial position as of December 31st of each year in the examination period, and the related statutory-basis statements of operations, capital and surplus, and cash flow.

WSB concluded that the statutory financial statements presented fairly, in all material respects, the financial position of the Company at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

Assets	
Cash and short term investments	$ 1,878,245
Investment income due and accrued	25
Uncollected premiums and agents' balances in the course of collection	2,731
Total assets	$ 1,881,001
Liabilities	
Claims unpaid	$ 521,187
Unpaid claims adjustment expenses	9,495
Premiums received in advance	32,097
General expenses due and accrued	31
Amounts due to parent, subsidiaries and affiliates	37,772
Total liabilities	$ 600,582
Capital and Surplus	
Common capital stock	$ 300,000
Gross paid-in and contributed surplus	209,500
Unassigned funds (surplus)	770,919
Total capital and surplus	$ 1,280,419
Total liabilities, capital and surplus	$ 1,881,001

Note: The Internal Revenue Service has not conducted any audits of the income tax returns filed on behalf of the Company through tax year 2012. The examiner is unaware of any potential exposure of the Company to any tax assessments and no liability has been established herein relative to such contingency.

B. Statement of Revenue and Expenses and Capital and Surplus

Capital and surplus increased by $333,009, during the three-year examination period January 1, 2010 through December 31, 2012, detailed as follows:

Revenue		
Premiums earned	$ 8,835,465	
Total revenue		$ 8,835,465
Expenses		
Other professional services	$ 6,523,137	
General administrative expenses	1,868,759	
Administrative claims adjustment expenses	102,792	
Total underwriting deductions		$ 8,494,688
Net underwriting gain		340,777
Net investment losses		(7,768)
Net income		$ 333,009

Changes in Capital and Surplus

Capital and surplus, per report on examination, as of December 31, 2009			$ 947,410
	Gains in Surplus	Losses in Surplus	
Net income	$ 333,009	$ 0	
Net increase in surplus			$ 333,009
Capital and surplus, per report on examination, as of December 31, 2012			$ 1,280,419

4. CLAIMS UNPAID

The examination liability of $521,187 is the same as that reported by the Company in its filed annual statement as of December 31, 2012.

The examination analysis of the unpaid claims reserve was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in the Company's internal records and in its filed annual statements as verified during the examination. The examination reserve was based upon actual payments made through a point in time, plus an estimate for claims remaining unpaid at that date. Such estimate was calculated based on actuarial principles, which utilized the Company's experience in projecting the ultimate cost of claims incurred on or prior to December 31, 2012.

5. MARKET CONDUCT ACTIVITIES

In the course of this examination, a review was made of the manner in which the Company conducts its business practices and fulfills its contractual obligations to policyholders and claimants. The review was general in nature and is not to be construed to encompass the more precise scope of a market conduct examination. The review was directed at the practices of the Company in the following major areas:

A. Agents and brokers
B. Claims processing
C. Prompt Pay Law
D. Complaints
E. Special Investigations Unit
F. Underwriting

A. Agents and Brokers

Pursuant to Article 21 of the New York Insurance Law, HIC is authorized to use and utilizes independent insurance agents and brokers as its primary distribution system. In addition, HIC maintains a direct sales staff of account executives and group service representatives who work with prospective groups in conjunction with its producers to generate business. The Company provided the examiner with a complete listing of 115 producers for the period under review, January 1, 2010 through December 31, 2012.

Section 2112(a) of the New York Insurance Law states:

> "Every insurer, fraternal benefit society or health maintenance organization doing business in this state shall file a certificate of appointment in such form as the superintendent may prescribe in order to appoint insurance agents to represent such insurer, fraternal benefit society or health maintenance organization."

HIC violated Section 2112(a) of the New York Insurance Law by failing to file certificates of appointment for some of its agents with the Department.

The examiner selected a sample of 30 agents for review. It should be noted that for 23 of the 30 selected, the Company was unable to verify or provide documentation that the appointments were submitted to the Department.

It is recommended that the Company comply with Section 2112(a) of the New York Insurance Law by filing all of its agents' certificates of appointment with the Department.

It should be noted that a similar finding was cited in the previous report on examination.

B. Claims Processing

A review of the Company's claims practices and procedures was performed by using a statistical sample covering claims adjudicated during the period January 1, 2012 through December 31, 2012, in order to evaluate the overall accuracy and compliance environment of its claims processing. The examiner selected a sample of 167 claims for review and reviewed the claims on a stop and go basis.

This statistical random sampling process, which was performed using the computer software program ACL, was utilized to test various attributes deemed necessary for successful claims processing activity. The objective of this sampling process was to be able to test and reach conclusions about all predetermined attributes, individually or on a combined basis.

For the purposes of this report, a "claim" as defined by HIC, is the total number of items submitted by a single provider with a single claim form, as reviewed and entered into its claims processing system. This claim may consist of various lines, procedures or service dates. It was possible, through the computer systems used for this examination, to match or "roll-up" all procedures on the original form into one item, which was the basis of the Department's statistical sample of claims or the sample unit. To ensure the completeness of the claims population being tested, the total dollars paid were accumulated and reconciled to the paid claims data reported by HIC for the period January 1, 2012 through December 31, 2012, as included in its annual statement filed with the Department.

It should be noted that Healthplex performs quality control reviews or audits to check the accuracy of recorded claims transactions (e.g., payment dollar, payment incidence, coding,

procedural and total claim accuracy) on a monthly basis in order to identify and correct errors that may be occurring. No exceptions were noted.

C. Prompt Pay Law

Section 3224-a of the New York Insurance Law, "Standards for prompt, fair and equitable settlement of claims for health care and payments for health care services" ("Prompt Pay Law"), requires all insurers to pay undisputed claims or the undisputed portion of a claim within forty-five days of receipt. If such undisputed claims are not paid within forty-five days (thirty days for electronic claims) of receipt, interest may be payable.

Section 3224-a(a) of the New York Insurance Law states in part:

> "(a) Except in a case where the obligation of an insurer …to pay a claim submitted by a policyholder or person covered under such policy… or make a payment to a health care provider is not reasonably clear, or when there is a reasonable basis supported by specific information available for review by the superintendent that such claim or bill for health care services rendered was submitted fraudulently, such insurer or organization or corporation shall pay the claim to a policyholder or covered person or make a payment to a health care provider within thirty days of receipt of a claim or bill for services rendered that is transmitted via the internet or electronic mail, or forty-five days of receipt of a claim or bill for services rendered that is submitted by other means, such as paper or facsimile."

A review to test for compliance with Section 3224-a of the New York Insurance Law (Prompt Payment Law) was performed by using a statistical sampling methodology covering dental claims submitted to HIC for the period January 1, 2012 through December 31, 2012. The review of HIC's claims revealed no material findings with regard to Section 3224-a(a) of the New York Insurance Law.

D. Complaints

Department Circular Letter No. 11 (1978) provides that all licensed insurance companies establish an internal department specifically designated to investigate and resolve complaints filed by its subscribers with the Department's Consumer Assistance Unit, and that these insurance companies take action, as necessitated, as a result of the complaint investigation findings.

Additionally, the Circular Letter requires that all insurers maintain an ongoing central log to register and monitor all complaint activity. The Circular Letter states in part:

> *"… As part of its complaint handling function, the company's consumer services department will maintain an ongoing central log to register and monitor all complaint activity. The log should be kept in a columnar form and list the following in part…*
>
> *The name of the complainant and the policy or claim file number.*
> *The New York State Insurance Department file number.*
> *The responsible internal division, i.e., personal lines underwriting, property damage claims, etc.*
> *The person in the company with whom the complainant has been dealing.*
> *The person within the company to whom the matter has been referred for review.*
> *The date of such referral.*
> *Bearing in mind the appropriate regulation mandating timely substantive replies, the dates of correspondence to the Insurance Department's Consumer Services Bureau…*
> *Remarks about internal remedial action taken as a result of the investigation."*

The examiner reviewed the Company's complaint log and noted that the above items were missing from the log.

It is recommended that all items required by Department Circular Letter No. 11 (1978) be included in the Company's complaint log.

E. Special Investigations Unit

A review was performed of the organization and structure of HIC's Special Investigations Unit ("SIU"), and its compliance with Section 405 of the New York Insurance Law and Department Regulation No. 95 (11 NYCRR 86), with respect to the reporting of fraud cases to the Department. No cases were reported to the Department, however, the following was noted:

- The Company's Fraud plan dated August 13, 2003 and amended October 3, 2003 was approved by the Department on October 10, 2003, however this plan is not current in that the personnel listed in the filed plan are no longer employed in such capacity.

It is recommended that the Company update and resubmit its fraud prevention and detection plan to the Department with accurate and up-to-date information regarding the personnel currently employed in its Special Investigations Unit.

F. Underwriting

Section 4235(h)(1) of the New York Insurance Law states in part:

> "(h)(1) Each domestic insurer… doing business in this state shall file with the superintendent its schedules of premium rates, rules and classification of risks for use in connection with the issuance of its policies of… group health… and health insurance, and of its rates of commissions, compensation or other fees or allowances…"

A review of HIC's underwriting and rating procedures was performed. A sample of 21 out of 176 underwriting files in effect during 2012 were reviewed to determine the rating practices utilized by HIC. The following was noted:

- HIC issues Preferred Provider Organization ("PPO") and indemnity dental products. Additionally, HIC can issue a PPO contract with an out-of-plan benefit by blending together an in-network rate with an out-of-network rate, to arrive at a composite rate. However, this practice does not appear to be described anywhere in the filing as provided to the examiner and as approved by the Department.

- HIC overcharged 5 out of 10 of its manually rated groups.

- HIC overcharged 6 out of 11 of its experience rated groups.

HIC violated Section 4235(h)(1) of the New York Insurance Law by failing to use the approved experience rate formulas and manual rates it filed with the Department.

It is recommended that the Company comply with the experience rated formula as filed and approved by this Department, pursuant to Section 4235(h)(1) of the New York Insurance Law.

It should be noted that a similar finding was cited in the previous report on examination.

It is also recommended that the Company adhere to the manual rates that are filed and approved by the Department.

It is further recommended that the Company make the appropriate restitution to the insureds that were overcharged.

6. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination as of December 31, 2009, contained the following twenty-eight (28) comments and recommendations pertaining to the financial portion of the examination (page number refers to the prior report on examination):

ITEM NO.		PAGE NO.
	Management and Controls	
1.	It is recommended that the Company amend its by-laws to require its Board to meet a minimum of four times per calendar year. *The Company has complied with this recommendation.*	6
2.	It is recommended that the Company complies with the requirements of Section 1411(a) of the New York Insurance Law by having the Board authorize all of its investments. *The Company has complied with this recommendation.*	7
3.	It is recommended that the Company adopt and abide by formal written investment guidelines. *The Company has complied with this recommendation.*	8
	Holding Company System	
4.	It is recommended that the Company complies with the terms of its service agreement. *The Company has complied with this recommendation.*	11
5.	It is recommended that the Company complies with its Administrative Services Agreement and with Department Regulation No. 30 by paying fees for outsourced services, provided to the Company by its Parent, in accordance with its Administrative Services Agreement and Department Regulation No. 30. *The Company has complied with this recommendation.*	13

ITEM NO.		PAGE NO.
	Holding Company System (Cont'd)	
6.	It is recommended that the allocation of expenses between the Company and the Parent be apportioned in conformity with the provisions of Part 106.6(b) of Department Regulation No. 30.	13
	The Company has complied with this recommendation.	
7.	It is recommended that the Company complies with the requirements of Sections 1505(a) and (b) of the New York Insurance Law and establish an allocation procedure that defines how the expenses are to be allocated.	14
	The Company has complied with this recommendation.	
	Custodial Agreement	
8.	It is recommended that the Company amend its custodial agreement to include the above provisions in order to provide its assets with the necessary safeguards.	16
	Subsequent to the examination date the Bank of America agreed to incorporate the protective covenants into a document called "the Amendment to Custody Agreement" that became effective on August 17, 2010. This document is attached to the custodial agreement between the Company and the Bank of America.	
	The Company has complied with this recommendation.	
	Conflict of Interest	
9.	It is recommended that, as a prudent business practice, the Company follow its formal conflict of interest reporting procedures relative to its directors, officers and key employees.	17
	The Company has complied with this recommendation.	

ITEM NO. **PAGE NO.**

Accounts and Records

10. It is recommended that the Company complies with Part 243.2(b) of Department Regulation No. 152 by keeping records of all coverage applications for the required period. 18

The Company has complied with this recommendation.

11. It is recommended that the Company complies with the requirements of Section 3201(b)(1) of the New York Insurance Law by seeking the Department's approval for its insurance application forms and its members' enrollment cards. 18

The Company has complied with this recommendation.

12. It is recommended that the Company report its short-term investments' book/adjusted carrying value, par value, and actual cost as indicated by the NAIC annual statement instructions. 19

The Company has complied with this recommendation.

13. It is recommended that the Company complies with Paragraph 10 of SSAP No. 2 by treating and reporting as short-term investments only securities with remaining maturities of one year or less at the time of acquisition. 20

The Company has complied with this recommendation.

14. It is also recommended that the Company exercise greater care when preparing Schedule DA of its annual statement. 20

The Company did not report any assets in Schedule DA during the examination period.

Claims Unpaid

15. It is recommended that the Company incorporate a margin for adverse claims fluctuations in its claims unpaid liability. 23

The Company has complied with this recommendation.

ITEM NO.		PAGE NO.
	Utilization Review (Cont'd)	
22.	It is recommended that the Company complies with the requirements of Section 4903(d) of the New York Insurance Law and provide the retrospective review notification no later than 30 days after receipt of all the necessary information. *The Company did not have any retrospective utilization review cases during the examination period.*	32
23.	It is recommended that the Company amend Section UM 7.1 of its Utilization Review Policy and Procedure, with regard to its concurrent review notification, so that it is in compliance with the requirements of Section 4903(c) of the New York Insurance Law. *The Company did not have any concurrent utilization review cases during the examination period.*	33
24.	It is recommended that the Company complies with the requirements of Section 4903(b) of the New York Insurance Law and provide the prospective review notification within the required number of days as stated in the statute. *The Company did not have any prospective utilization review cases during the examination period.*	33
25.	It is recommended that the Company complies with the requirements of Section 307(a)(1) of the New York Insurance Law by exercising greater care when filing Exhibit of Grievances and Utilization Review Appeals - Accident & Health Insurance Contracts: New York State Business, Part Two of its Supplement, to the Health Blank Annual Statement. *The Company has complied with this recommendation.*	34
	Underwriting	
26.	It is recommended that HIC provide the policyholder with at least 30 days prior written notice of its intent to terminate coverage as required by Part 55.2(a) of Department Regulation No. 78. *The Company has complied with this recommendation.*	35

ITEM NO.		PAGE NO.
	Utilization Review (Cont'd)	
27.	It is recommended that the Company complies with the requirements of Part 243.2(b)(1) of Department Regulation No. 152 by keeping records of all notices that were issued to insureds, for the required amount of time as specified in the Regulation. *The Company has complied with this recommendation.*	35
28.	It is recommended that the Company avoids potential violations of Section 2601(a)(4) of the New York Insurance Law by revising its termination procedures to allow the processing of claims issued for services rendered during the periods for which premiums were already paid. *The Company has complied with this recommendation.*	36

7. SUMMARY OF COMMENTS AND RECOMMENDATIONS

Respectfully submitted,

_____/S/_____
Victor Estrada
Senior Insurance Examiner

STATE OF NEW YORK)
) SS
)
COUNTY OF NEW YORK)

Victor Estrada, being duly sworn, deposes and says that the foregoing report submitted by him is true to the best of his knowledge and belief.

_____/S/_____
Victor Estrada

Subscribed and sworn to before me
this _____ day of_____2015.

APPOINTMENT NO. 31034

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, ***BENJAMIN M. LAWSKY****, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

Victor Estrada

as a proper person to examine the affairs of

Healthplex Insurance Company

and to make a report to me in writing of the condition of said

Company

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name and affixed the official Seal of the Department at the City of New York

this 4th day of September, 2013

BENJAMIN M. LAWSKY
Superintendent of Financial Services

By: _____

Lisette Johnson
Bureau Chief
Health Bureau