

NOTICE OF PETITION FOR LIQUIDATION
TO ALL POLICYHOLDERS, CLAIMANTS AND OTHER PERSONS HAVING AN INTEREST IN
FREELANCERS CONSUMER OPERATED AND ORIENTED PROGRAM OF NEW JERSEY
d/b/a HEALTH REPUBLIC INSURANCE OF NEW JERSEY

This matter having been opened to the Court by Christopher S. Porrino, Attorney General of New Jersey, by William B. Puskas, Jr., Deputy Attorney General, as attorney for plaintiff, Richard J. Badolato, the Commissioner of the Department of Banking and Insurance of the State of New Jersey (“Commissioner”), and Rehabilitator of Freelancers Consumer Operated and Oriented Program of New Jersey d/b/a Health Republic Insurance of New Jersey (“Freelancers”), on a Petition for Liquidation of Freelancers, to appear and show cause why an order should not be entered, pursuant to N.J.S.A. 17B:32-45 to -47, providing for the liquidation of Freelancers, termination of the Order of Rehabilitation of Freelancers entered on October 19, 2016, and continuing the injunctive relief previously granted pursuant to N.J.S.A. 17B:32-39; and the Court having considered the Petition for Liquidation, Letter Brief, and the Certification of Richard Schlesinger, Chief Insurance Examiner in the Office of Solvency Regulation for the New Jersey Department of Banking and Insurance; and for good cause appearing,

IT IS ORDERED that:

(1) Any person having an interest in or claim against Freelancers appear and show cause before the Honorable Paul Innes, Presiding Judge, Chancery Division, Superior Court of New Jersey, Mercer County Civil Courts Building, 175 South Broad Street, Trenton, New Jersey on **February 3, 2017, 2017, at 9:00 a.m.**, or as soon thereafter as counsel may be heard, why an order should not be entered:

- a. Appointing the Commissioner as Liquidator of Freelancers with all the powers and authority expressed or implied by N.J.S.A. 17B:32-31 to -92;
- b. Directing the Commissioner to liquidate Freelancers;
- c. Terminating the Order of Rehabilitation of Freelancers, entered on October 19, 2016;
- d. Permanently enjoining all persons and entities from pursuing litigation against Freelancers, or from interfering with the Commissioner’s efforts to liquidate Freelancers;
- e. Halting further payment of claims by Freelancers except with the express written consent or directive of the Liquidator or his designees or appointees;
- f. Providing that all claims must be asserted against Freelancers no later than 180 days from the date of the Order of Liquidation, in the form established by the Commissioner, or such claims will be forever barred;
- g. Establishing procedures governing the payment of claims by Freelancers;
- h. Granting the Commissioner such other injunctive and equitable relief as may be necessary to protect the policyholders and creditors of Freelancers and the public, as the court may deem just and proper; and

2. In continuation of the Order of Rehabilitation, dated October 19, 2016, effective immediately and pending the return date of this Order to Show Cause, there shall be no further payment of claims or other expenses by Freelancers except at the directive of the Commissioner or of this court; and

3. The restraints set forth in the October 19, 2016 Order of Rehabilitation shall continue in full force and effect, pending the return date of this Order to Show Cause; and

4. Any party intending to file answering affidavits or briefs or seek other relief in this matter shall file such papers with the Court and serve them upon Deputy Attorney General William B. Puskas, Jr., as attorney for Plaintiff, Division of Law, 25 Market Street, P.O. Box 117, Trenton, NJ 08625-0117 **on or before February 1, 2017.**

5. The court will entertain argument, but not testimony, on the return date and time listed above, unless the court and parties are advised before the return date.

6. A proposed copy of the Order for Liquidation and all supporting materials filed herewith shall be available for public inspection on the Department's website at: http://www.state.nj.us/dobi/division_insurance/finesolv.htm, and during reasonable business hours, at:

- (a) Health Republic Insurance Company
570 Broad Street, Suite 1100
Newark, NJ 07102

- (b) N.J. Department of Banking and Insurance
Office of Solvency Regulation
20 West State Street, 8th Floor
Trenton, NJ 08625

- (c) Superior Court of New Jersey, Mercer County
Mercer County Civil Courts Building
175 South Broad Street
Trenton, NJ 08650-0068