

HEALTH REPUBLIC INSURANCE COMPANY in LIQUIDATION ("HRI")

Vendor Expenses on a Modified Cash Basis

Modified Cash Basis Expenses (Note 1)

For The Year 2018 and Cumulative For The Period May 11, 2016 to October 30, 2018

| Expense Category | Vendor | Description of Expense | 2018 January | 2018 February | 2018 March | 2018 April | 2018 May | 2018 June | 2018 July | 2018 August | 2018 September | 2018 October | Year To Date Expenses | Cumulative Since Date of Liquidation |
|---------------------------------|-------------------------------------|---|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|--------------------------|---|
| Administrative Expenses: | | | | | | | | | | | | | | |
| | Garden City Group | Mailings of court orders, phone center, web-site monitoring | 88,939 | | 21,345 | | 1,768 | | | 18,656 | 5,156 | | 135,865 | 1,024,941 |
| | New York Liquidation Bureau | Salaries and Overhead | 105,208 | 141,861 | 104,500 | 92,891 | 69,640 | 66,204 | 51,897 | 36,445 | 63,278 | 70,337 | 802,262 | 3,281,067 |
| | Rackspace US, Inc. | Cloud storage | | | | | | | | | | | - | 296,462 |
| | DAZ | Oracle general ledger report writer services | | | | | | | | | | | - | 15,169 |
| | MegaPath | IT vendor that hosts data lines and phones | | | | | | | | | | | - | 9,240 |
| | Oracle | HRI General Ledger support | | | | | | | | | | | - | 140,025 |
| | North Shore-LIJ CareConnect | Final health insurance for HRI employees | | | | | | | | | | | - | 8,022 |
| | Various Bank Service Charges | Bank Accounts service charges | | | | | | | | | | | - | 12,530 |
| | Other Operating Expenses | Overnight mail, telephone, archiving, web-site fee | 287 | 691 | 293 | 287 | 287 | 413 | 1,082 | 1,440 | 811 | | 5,591 | 38,763 |
| | IBM Corporation | Cloud storage | 9,220 | 9,220 | 9,220 | 9,220 | 9,220 | 9,220 | 9,220 | 9,220 | 9,220 | 9,220 | 92,200 | 149,365 |
| | JP & R Advertising Agency, Inc. | Advertising | | | 2,985 | | | | | | | | 2,985 | 2,985 |
| | | Total Administrative Expenses | <u>203,654</u> | <u>151,772</u> | <u>138,343</u> | <u>102,398</u> | <u>80,915</u> | <u>75,837</u> | <u>62,199</u> | <u>65,761</u> | <u>78,465</u> | <u>79,557</u> | <u>1,038,902</u> | <u>4,978,568</u> |
| Consulting Expenses: | | | | | | | | | | | | | | |
| | Various Employees | HRI Employees Salaries including tax and processing fees | | | | | | | | | | | - | 146,123 |
| | Alvarez & Marsal | Consulting services rendered in the liquidation | | | | | | | | | | | - | 1,958,309 |
| | HRI Employees | HRI employees retained | | | | | | | | | | | - | 193,464 |
| | BDO Seidman | Collection and delivery of 2014 workpapers | | | | | | | | | | | - | 6,000 |
| | Actuarial Resources Corp. of Kansas | Rate review | | 444 | | | | | | | | | 444 | 16,444 |
| | Risk & Performance Management | Vendor Invoice Review | | | | | | | | | | | - | 6,179 |
| | | Total Consulting Expenses | <u>-</u> | <u>444</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>444</u> | <u>2,326,519</u> |
| Legal Expenses: | | | | | | | | | | | | | | |
| | Finsbury | Legal support | | | | | | | | | | | - | 11,145 |
| | Dentons | Legal support | | | | | | | | | | | - | 10,542 |
| | Transperfect | Translation services for court documents | | | | | | | | | | | - | 2,209 |
| | Weil Gotshal | Legal support | | | | | | | | | | | - | 1,248,687 |
| | Clarick Gueron Reisbaum, LLP | Legal support | 212 | 5,862 | 511 | | | 2,020 | - | 13,455 | | | 22,059 | 189,003 |
| | Fox Rothschild LLC | Legal support | 173 | | | | | | | | | | 173 | 1,475 |
| | Weiner Law Group, LLP | Legal support | | | | | | | | | | | - | 1,742 |
| | Barrack, Rodos & Bacine | Legal support | | | | | | | | 60,000 | 60,000 | | 120,000 | 121,742 |
| | | Total Legal Expenses | <u>385</u> | <u>5,862</u> | <u>511</u> | <u>-</u> | <u>-</u> | <u>2,020</u> | <u>-</u> | <u>73,455</u> | <u>60,000</u> | <u>-</u> | <u>142,232</u> | <u>1,586,545</u> |
| Professional Fees: | | | | | | | | | | | | | | |
| | Pomco | Claims processing | 7,560 | | | | | | | | 8,310 | | 15,870 | 2,016,371 |
| | Eisner/Amper | Fees for 2015 and 2016 financial audit | | | | 100,000 | | 5,000 | - | | | | 105,000 | 851,374 |
| | Truven Health Analytics, LLC | Claims audit | | | | | | | | | | | - | 102,000 |
| | Red Card | Claims processing | | | | | | | | | | | - | 258,463 |
| | Magnacare | Claims processing | | | 353,576 | | | | | | | | 353,576 | 353,576 |
| | | Total Professional Fees | <u>7,560</u> | <u>-</u> | <u>353,576</u> | <u>100,000</u> | <u>-</u> | <u>5,000</u> | <u>-</u> | <u>-</u> | <u>8,310</u> | <u>-</u> | <u>474,446</u> | <u>3,581,784</u> |
| | | Grand Total Expenses January 1, 2018 to October 30, 2018 | <u>\$ 211,599</u> | <u>\$ 158,078</u> | <u>\$ 492,430</u> | <u>\$ 202,398</u> | <u>\$ 80,915</u> | <u>\$ 82,857</u> | <u>\$ 62,199</u> | <u>\$ 139,216</u> | <u>\$ 146,775</u> | <u>\$ 79,557</u> | <u>\$ 1,656,024</u> | <u>\$ 12,473,416</u> |

NOTE 1: NYLB financial statements are prepared on a Modified Cash Basis. Expenses are recognized when paid rather than when the obligation is incurred.

NOTE 2: The payment represents a final settlement of outstanding obligations to Magnacare.