

Weil, Gotshal & Manges LLP

CONFIDENTIAL
DELIVERED VIA E-MAIL

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Joseph T. Verdesca, Jr.
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November 19, 2015

Ronald J. Vance, Jr.
Chief Restructuring Officer
Health Republic Insurance of New York
30 Broad Street
New York, NY 10004

Re: Restructuring Engagement

Dear Ron:

This will confirm Weil, Gotshal & Manges LLP's ("Weil's") engagement to represent Health Republic Insurance of New York, Corp. (the "Company") in the matters described below (the "Engagement").

Weil's Engagement is to represent the Company as a separate entity and not any of its parents, subsidiaries, or other affiliates, or any affiliate's or the Company's individual directors, officers, employees, shareholders, or agents. In performing the Engagement, however, we will advise, and consult with, the Company by communicating with its directors, officers, and employees acting in their corporate capacities.

Scope of the Engagement

The Engagement will consist of advising and representing the Company in preparation for, and in connection with, the administration and prosecution of a potential proceeding involving the Company under Article 74 of the New York Insurance Law (an "Article 74 Proceeding") and such other matters, if any, as may be listed on Schedule 1 hereto as such schedule may be amended from time to time by mutual consent of Weil and the Company.

Fees and Expenses

The Company will be charged for Weil's professional services at the firm's regular hourly rates then in effect for the attorneys or paralegals working on the Engagement. Currently, Weil's billing rates range between \$189 (for paralegals) and \$1215 per hour (in each case after giving effect to the 10% discount agreed for this engagement), depending upon the level of seniority and expertise of the particular attorney or paralegal involved. We will notify you of changes in billing rates within a reasonable period of time in advance thereof. If you desire, we will send you a schedule of our hourly billing rates.

All statements for services rendered will set forth the time expended in rendering Weil's services, describe those services, and, if requested, will specify the name of the individual who rendered the services during the particular period and that person's hourly billing rate.

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In addition, the Company will reimburse Weil for all expenses incurred in connection with the services rendered. We will itemize all categories of reimbursable expenses as part of our statement. For your information, we are enclosing our fee and disbursement policy. We also may forward to you, for direct payment by the Company, certain invoices or charges (e.g., expert fees, court reporter charges, corporate filing fees, etc.) received by us from third parties acting for the Company's benefit. The Company shall be responsible for making these direct payments in a timely manner.

To the extent feasible, the Company will be billed monthly for services rendered by us and expenses incurred by us. Please review our statements as soon as you receive them and promptly raise any questions that the Company may have. If the Company does not do so, we will assume that the Company accepts the statements as presented. Upon receipt of each of our statements, the Company shall promptly remit the amount due us.

Fee Advance

To assure the Company of Weil's continued availability to represent the Company, the Company will promptly remit to us an initial fee advance in the amount of \$250,000.00 (the "Advance") by wire transfer for the following account:

JP Morgan Chase Bank
500 Stanton Christiana Road
Newark, DE 19713
ABA: #021000021
To the account of Weil, Gotshal & Manges LLP
Account #0158-37-430
Swift code: CHASUS33
Reference: 35257.0003

This Advance is on behalf of all of the Company entities, including those outside of the United States. Weil will credit the Advance to your account for charges for professional services rendered and to be rendered and for reimbursement of expenses incurred and to be incurred and will reduce the balance of the credit available to you by the amount of charges as they are incurred. If, at the conclusion of the Engagement, there is any surplus in respect of the aggregate aforesaid payments, such surplus will be remitted to you. To the extent the aggregate charges for professional services or reimbursement of expenses have reduced the credit resulting from the Advance or are about to exhaust such credit, at our request you promptly will remit an additional Advance in the amount set forth above or in such other amount or amounts as both parties reasonably agree. If an agreement on such additional Advance is not forthcoming prior to the exhaustion of the credit resulting from the Advance, or if any billed fees or disbursements are not paid when due, then, at our option, we may elect to terminate the Engagement and

cease to render further professional services and you shall be deemed to have consented to such termination.

Conflicts Waiver

This firm is a general service law firm that the Company recognizes has represented, now represents, and will represent numerous current and future clients (that may include, without limitation, the Company's or its affiliates' current or future debtors, creditors, and direct competitors) nationally and internationally, over a wide range of industries and businesses and in a wide variety of matters. The Company also specifically recognizes that this firm may represent the Company's or its affiliates' adversaries, including the adversary in the Engagement, in matters not substantially related either to the Engagement or to other legal services that Weil has rendered, is rendering, or in the future may render to the Company or any affiliate ("Allowed Adverse Representations"). As an example, when Weil's financial restructuring and bankruptcy practice represents an entity in financial distress, Weil could be called upon to act adversely to certain of that entity's numerous creditors, equity interestholders, or other parties in interest that may also be the firm's clients in unrelated matters. Thus, without a binding conflicts waiver, conflicts of interest might arise that could deprive the Company or other clients of the right to select Weil as their counsel.

Therefore, as an integral part of the Engagement, the Company agrees that Weil may, now or in the future, represent other current and future clients in Allowed Adverse Representations. This agreement allows Weil, among other things, to serve as counsel in litigation adversely to the Company or any affiliate on matters that are not substantially related to (a) the legal services that Weil has rendered, is rendering, or in the future will render to the Company under the Engagement and (b) other legal services that Weil has rendered, is rendering, or in the future will render to the Company or any affiliate.

Without limiting the generality of the foregoing, the Company hereby consents to the engagement of Weil in connection with an Article 74 Proceeding by (i) the Superintendent of Financial Services of the State of New York, in his capacity as rehabilitator or liquidator of the Company, and (ii) the New York Liquidation Bureau.

The Company also agrees that it will not, for itself or any other entity or person, assert that either (a) Weil's representation of the Company or any affiliate in any past, present, or future matter or (b) Weil's actual, or possible, possession of confidential information belonging to the Company or any affiliate is a basis to disqualify Weil from representing other current or future clients in Allowed Adverse Representations. The Company further agrees that Allowed Adverse Representations do not breach any duty that Weil owes to the Company or any affiliate.

This will also confirm that Weil has not been asked to, and does not by undertaking this Engagement agree to, (a) establish an attorney-client relationship with, or (b) provide individual legal advice to, any entities affiliated with the Company, or their or the Company's individual directors, officers, employees,

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or shareholders. Weil will establish an attorney-client relationship with, and provide legal advice to, these entities or individuals only if Weil is asked and specifically agrees to do so in writing.

* * *

Weil may cease providing services to the Company and terminate this Engagement as may be permitted by the applicable ethics rules or codes in effect at the time of termination, or by order of a court or other tribunal. The Company may terminate this Engagement at any time, but doing so, or termination by Weil as provided in the preceding sentence, does not relieve the Company from any obligation arising during the Engagement, including the obligation to pay our fees and disbursements when due.

This agreement will continue in effect after Weil's representation of the Company has ceased. Once the Engagement has concluded, however, Weil will have no responsibility to inform the Company about changes in the law that affect advice or opinions that Weil has previously provided.

The laws of the State of New York alone (including all rules or codes of ethics which apply to the providing of legal services), and without regard to its conflict of law rules, shall govern this agreement and its interpretation. Any dispute relating to this Engagement shall be decided exclusively by a state or federal court sitting in New York County without a jury. Both we and the Company consent to the jurisdiction of these courts and waive any right to a jury trial. In the event a dispute arises between us relating to our fees, you may have the right to arbitrate the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts of New York State.

The Company acknowledges that Weil is undertaking this Engagement in reliance upon the Company entering into this agreement.

Finally, this agreement will also apply to all future matters in which Weil represents the Company, except that we will confirm in writing the specific scope of our engagement for each future matter and the modification for that matter, if any, to our fee advance.

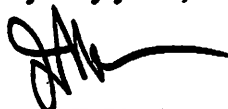
Please review this agreement. If the foregoing is in accord with your understanding of our agreement with the Company, please execute the enclosed copy of this letter, being sure to provide the Company's taxpayer identification number in the space provided therefor, and return it to us.

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We are pleased to be of service in this matter, and we assure you of our continuing desire to be of service in the future.

Very truly yours,



Joseph T. Verdesca, Jr.

AGREED TO AND ACCEPTED

this 24 day of November, 2015

HEALTH REPUBLIC INSURANCE OF NEW YORK, CORP.

By: Christine J. Testa
Its General Counsel

WGM FEE AND DISBURSEMENT POLICY

I. FEES

Absent a contrary understanding, Weil bills fees to its clients that are based upon time charges and the other factors referred to in the rules governing professional conduct.

II. DISBURSEMENTS

Set forth below on an itemized basis are the policies that apply to charging our clients for disbursements and costs that Weil incurs on their behalf.

- a) **Computerized Legal Research** - Clients are charged the vendor's price plus directly associated costs for providing such services.
- b) **Document Production** - The client is not charged for most word processing jobs. The client is charged \$40 per hour only for labor intensive jobs requiring over two continuous hours of work. .
- c) **Duplication (In House)** - The client is charged \$0.15 per page.
- d) **Secretarial Overtime** - Clients are not charged for secretarial overtime either on a full-time or temporary basis. However, clients may be charged for "special situations" at a rate of \$45 per hour e.g., when secretaries are used to perform duties in connection with an extended closing. Incidental expenses in relation to secretarial overtime such as transportation and meals subject to appropriate caps are charged to the client.
- e) **Miscellaneous Charges** - Clients are charged for travel, postage, express mail, messenger services, meals, outside duplication services, local transportation, filing fees, court reporters and similar items at the actual cost incurred.

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Ronald J. Vance, Jr.
Chief Restructuring Officer
Health Republic Insurance of New York
30 Broad Street
New York, NY 10004

Dear Ron:

This letter is being sent as required by the provisions of Part 1215 to Title 22 of the Official Compilation of Codes, Rules and Regulations of the State of New York, which requires that we communicate with you to confirm certain of the basic terms of our firm's retention by you.

You have asked us to provide representation to you in a corporate transaction. Our bills for services rendered will be based upon hours of service performed plus disbursements, as set forth in the attached statement, unless we have otherwise specifically agreed with you, or hereafter agree with you, that an alternative arrangement is appropriate under the circumstances. You should also be aware that Part 137 of the Rules of the Chief Administrator of the New York Courts establishes a fee dispute resolution process which may be applicable in certain cases to fees less than \$50,000.

This required notice does not alter the terms of any retention agreement currently in effect between you and our firm, or any such letter which we have transmitted to you for your consideration.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Joseph T. Verdesca