

**HEALTH REPUBLIC INSURANCE COMPANY in LIQUIDATION ("HRI")**

Vendor Expenses on a Modified Cash Basis

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

**Modified Cash Basis Expenses (Note 1)**

Expense Category	Vendor	Description of Expense	2018 January	2018 February	2018 March	2018 April	2018 May	2018 June	2018 July	2018 August	2018 September	Year To Date Expenses	Cumulative Since Date of Liquidation
<b>Administrative Expenses:</b>													
	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	731,924	3,210,729
	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	82,980	140,145
	JP & R Advertising Agency, Inc.	Advertising			2,985							2,985	2,985
		<b>Total Administrative Expenses</b>	<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>959,345</u>	<u>4,899,011</u>
<b>Consulting Expenses:</b>													
	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
		<b>Total Consulting Expenses</b>	<u>-</u>	<u>444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>444</u>	<u>2,326,519</u>
<b>Legal Expenses:</b>													
	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
		<b>Total Legal Expenses</b>	<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>142,232</u>	<u>1,586,545</u>
<b>Professional Fees:</b>													
	Pomco	Claims processing	7,560									-	2,016,371
	Eisner/Amper	Fees for 2015 and 2016 financial audit				100,000		5,000	-		8,310	15,870	851,374
	Truven Health Analytics,LLC	Claims audit										105,000	102,000
	Red Card	Claims processing										-	258,463
	Magnacare	Claims processing			353,576							353,576	353,576
		<b>Total Professional Fees</b>	<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>474,446</u>	<u>3,581,784</u>
		<b>Grand Total Expenses January 1, 2018 to September 30, 2018</b>	<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>\$ 1,576,467</u>	<u>\$ 12,393,859</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.