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*ATTORNEYS FOR COMMISSIONER OF THE
DEPARTMENT OF BANKING AND INSURANCE*

**IN THE MATTER OF THE
LIQUIDATION OF FREELANCERS
CONSUMER OPERATED AND
ORIENTED PROGRAM OF NEW
JERSEY D/B/A HEALTH
REPUBLIC INSURANCE OF NEW
JERSEY**

**SUPERIOR COURT OF
NEW JERSEY
MERCER COUNTY
CHANCERY DIVISION**

DOCKET NO.: MER- C-63-16

ORDER

THIS MATTER having been opened to the Court by Stern & Eisenberg, PC, attorneys for Susan Ochs, Acting Commissioner of Banking and Insurance of the State of New Jersey, in her capacity as Liquidator of Freelancers Consumer Operated and Oriented Program of New Jersey d/b/a Health Republic Insurance of New Jersey (the "*Liquidator*"), upon notice to all parties requiring notice, for an Order approving the Liquidator's Motion Approving the Determination of Claims, Confirming the Final Distribution of Assets, Authorizing the Elimination of Records and Personal Property, and Closing of the Estate, and the Court having considered the moving papers and any opposition papers thereto, if any, and for good cause shown:

IT IS on the 11th day of May, 2026,

ORDERED that the Liquidator's Motion is **GRANTED**; and

IT IS FURTHER ORDERED that:

1. The Deputy Liquidator shall perform a final distribution in accordance with the Proposed Final Distribution Formula appended to the Certification of Michelina A. Lombardo that accompanied the filing of this Motion.
2. The final distribution will be released by the Deputy Liquidator to the sole remaining allowed Class Seven claimant, the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services (“*CMS*”), in the amount of \$34,272,067.51, inclusive of the previously approved fourth distribution (\$30,161,481.00), and the approved final distribution (\$4,110,586.51).
3. The Deputy Liquidator has established, and this Court approves, the Deputy Liquidator’s maintenance of a reserve in the amount of \$432,000.00 to administer all remaining administrative and operating expense matters necessary to complete the liquidation proceeding for the Estate (the “*Reserve*”).
4. If any surplus Reserve remains, or any assets are recovered by the Deputy Liquidator before or after submission of the final accounting, if economical and practical, a distribution shall be paid (after deduction for any associated administrative expenses of the Estate), *pro rata*, to the Class Seven allowed claimant, CMS. It may be necessary for the State of New Jersey Department of Banking and Insurance, Office of Solvency Regulation, to administer any subsequent distribution, if any, should the Deputy Liquidator’s office be closed. If the distribution of such additional assets is uneconomic or otherwise impractical, the Deputy Liquidator will determine the direction of any remaining funds.

5. The Deputy Liquidator is authorized to escheat unclaimed payments, if any remain, to the State of New Jersey, Department of the Treasury, Unclaimed Property Administration (the “UPA”). N.J.S.A. 46:30 B-1, *et seq.*

6. To the extent that the Deputy Liquidator may be in possession of personal property of the Estate that in her opinion has little or no value, the Deputy Liquidator may dispose of the personal property how, if, and when she sees fit. *See* N.J.S.A. 17:30C-9(a).

7. The Deputy Liquidator may, without notice, immediately destroy any records within her custody that do not relate to the Liquidation and if such destruction will not adversely affect the rights of others. *See* N.J.S.A. 17:3A-2. The Freelancers medical claim records in the possession of QualCare, Inc. remain governed by the Agreement and protocols established between the New Jersey Life and Health Insurance Guaranty Association and QualCare, Inc. The Deputy Liquidator, having no possession, custody, control, or authority over those medical claim records, has no responsibility for the preservation, production, or disposition of the records.

8. Records relating to the Liquidation may be destroyed, but no earlier than the expiration of one (1) year from the completion of the Liquidation and making of the final distribution. *See* N.J.S.A. 17:3A-3a. The Deputy Liquidator will transfer records, if any, requiring retention to the State of New Jersey, Department of Banking and Insurance, Office of Solvency Regulation, as the holder of records. The holder is authorized to destroy those records without further Court notice, after one year has elapsed from the completion of the distribution referenced herein and submission of the final accounting to the Court. *See* N.J.S.A. 17:3A-3a.

9. Upon completing the final distribution of funds in its entirety and filing of the final statement of accounting with the Court, the Deputy Liquidator and/or her representatives will have satisfied the conditions as set forth in this Order.

10. Upon compliance with this Order, and the filing with this Court of a final accounting, the Acting Commissioner of Banking and Insurance of the State of New Jersey, the Acting Commissioner of Banking and Insurance of the State of New Jersey as Liquidator of the Freelancers Consumer Operated and Oriented Program of New Jersey d/b/a Health Republic Insurance of New Jersey, the Deputy Liquidator, and their agents, attorneys, employees, successors, assigns, and other representatives and agents are forever discharged, released and held harmless from any and all liability arising out of the liquidation of the Estate, and this Liquidation proceeding shall be terminated without need for any further order of Court.

11. The Acting Commissioner of Banking and Insurance of the State of New Jersey and her successors may take any and all additional actions that are deemed advisable for the administration and termination of the Estate, without need for further application to, or approval of the Court.

IT IS FURTHER ORDERED that the Deputy Liquidator shall, within seven (7) days after receipt of this Order by her counsel, publish and make available on the State of New Jersey Department of Banking and Insurance website for a period of no less than one hundred twenty (120) days, and serve a copy of this Order upon noticed parties by First-Class Mail.

IT IS FURTHER ORDERED that Clerk of Court is directed to correct the docket and mark the Case Status as "Open" pending further Order of Court.



PATRICK J. BARTELS, P.J. Ch.

Opposed
 Unopposed