

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

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In re

Chapter 11

MODIVCARE INC., *et al.*,

Case No. 25-90309 (ARP)

Debtors.¹

(Jointly Administered)

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APPLICATION OF
NATIONAL SPECIALTY INSURANCE COMPANY
FOR PAYMENT OF ADMINISTRATIVE CLAIM UNDER 11 U.S.C. § 503(b)(1)

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this application was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

National Specialty Insurance Company (“*State National*”), by and through its undersigned counsel, hereby files this application seeking the allowance and payment of its administrative claim (this “*Application*”). In support hereof, State National respectfully states as follows:

¹ A complete list of each of the Debtors in these chapter 11 cases (the “Chapter 11 Cases”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.



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JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are section 503 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 9013 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”), and the Procedures for Complex Chapter 11 Cases in the United States Bankruptcy Court for the Southern District of Texas (the “Complex Case Procedures”).

BACKGROUND

The Reinsurance Agreements

4. State National is party to certain Quota Share Reinsurance Agreements incepting November 30, 2020 (the “*Reinsurance Agreements*”) with NEMT Insurance DE LLC, Series 1 (the “*NEMT*”). Under these Reinsurance Agreements, State National and NEMT agreed that: (1) a general agent affiliated with NEMT would issue general liability, commercial auto liability, and commercial auto physical damage policies in State National’s name; and (2) NEMT would reinsure 100% of State National’s gross liability with respect to such policies. As the 100% reinsurer, the Reinsurance Agreements require NEMT to fund all loss payments and expenses in the first instance.

5. As detailed in the Debtors’ insurance motion [ECF No. 7] (the “*Insurance Motion*”), the Debtor ModivCare, Inc. (“*ModivCare*”) owns 75% of NEMT. (See Insurance

Motion, ¶ 15.) Pursuant to the Insurance Motion, NEMT provides coverage for ModivCare’s third-party transportation providers, and by doing so, ModivCare can earn a return on the reinsurance premiums, and facilitate third party transportation vendors obtaining their contractually required levels of insurance coverage for a reasonable price. (*See* Insurance Motion, ¶ 15.)

6. The Reinsurance Agreements went into run-off effective as of June 30, 2025, such that no new insurance policies will generally be issued under the insurance program after that date unless required by law. During the run-off, NEMT is required to service the existing policies, and NEMT also remains liable for the insurance claims arising under the policies.

The Guaranty Agreement

7. State National and ModivCare entered into a guaranty and indemnification agreement on November 30, 2020, which was terminated and replaced by a new guaranty and indemnification agreement on May 1, 2022 with the same terms (the “*Guaranty Agreement*”). A copy of the Guaranty Agreement is attached as **Exhibit A**.

8. Pursuant to the Guaranty Agreement, ModivCare guaranteed the performance and obligations of NEMT under the Reinsurance Agreements and agreed to indemnify and hold State National harmless from any and all of NEMT’s liabilities under the Reinsurance Agreements, subject to the applicable guarantor percentages set forth in paragraph 12 below. (*See* Guaranty Agreement, §§ 1 and 2.)

9. Among other things, the Guaranty Agreement requires ModivCare to fund losses and expenses incurred under the insurance program, to the extent that NEMT does not pay these obligations. The Guaranty Agreement provides that “State National shall not be required to make any such payments without first being paid by Guarantor” (*i.e.*, ModivCare). (*Id.*, § 3.)

The Collateral

10. State National holds collateral to secure NEMT's reinsurance obligations to State National. This includes, among other collateral, (a) monies held in a trust account with Pinnacle Bank, and (b) an \$11.8 million letter of credit posted by ModivCare. Pursuant to the Reinsurance Agreements, State National may withdraw this collateral, if necessary, to satisfy NEMT's obligations under the Reinsurance Agreements. As of the date of the petition, the total value of the collateral was \$44,654,605.71.

11. Under the Reinsurance Agreements, State National reviews the needed collateral each calendar quarter. If State National determines the existing collateral is insufficient, NEMT is required to provide the additional collateral to State National within five days; alternatively, if the existing collateral is excessive, State National must return it to NEMT (collectively, the "*Collateral Adjustments*").

12. If additional collateral is required at the time of a Collateral Adjustment, and NEMT does not timely post the additional collateral, ModivCare is obligated to pay at least 65% of the amount requested, subject to certain procedures for resolving disputes as to the calculation. For obligations arising between November 30, 2020 and April 30, 2022, ModivCare is obligated to pay 100% of the amount requested. For obligations arising between May 1, 2022 and June 30, 2024, ModivCare is obligated to pay 65% of the amount requested. For obligations arising on and after July 1, 2024, ModivCare is required to pay 70% of the amount requested.

The Insurance Motion

13. On August 20, 2025, the Debtors filed the Insurance Motion. In the Insurance Motion, the Debtors describe the program as follows:

ModivCare has indirect exposure to potential claims made against the reinsurance policy. Such claims, if successful, would first be satisfied by a loss-reserve held by

NEMT Series 1 of approximately \$27 million (as of March 31, 2025), then by contributions from ModivCare and the other part-owners of NEMT Series 1. ModivCare's obligations in respect of covering such amounts are supported by a letter of credit of approximately \$11.8 million. As of the Petition Date, the Debtors believe they do not owe any outstanding amounts on account of the Captive Insurer Program. Out of an abundance of caution, the Debtors seek authority, in their discretion, to continue to participate in the Captive Insurer Program in the ordinary course, including honoring all obligations that may come due under such program, whether arising prepetition or postpetition. This will ensure that the value of ModivCare's interest in NEMT Series 1 is preserved.

(Insurance Motion, ¶¶ 17–18.)

14. The Court granted the Insurance Motion and the insurance program has continued on post-petition.

15. Counsel to State National and ModivCare had been in discussions regarding the treatment of the Guaranty Agreement under the Plan and ModivCare's continuing obligations with respect to the Reinsurance Agreements, but those discussions ceased shortly before the confirmation hearing.

The Post-Petition Payments and Obligations

16. NEMT has defaulted on its obligations to fund losses and expenses arising under the insurance program, as required by the Reinsurance Agreements. Under the Guaranty Agreement, ModivCare is responsible for these obligations.

17. Since the petition date, neither NEMT nor ModivCare has paid the amounts due for losses and expenses arising under the insurance program. State National has therefore been required to fund these amounts, including but not limited to the amounts necessary to pay (a) the insurance claims themselves, and (b) the third-party administrator (the "*TPA*") fees to handle the insurance claims.

18. Since the petition date, State National has funded the following losses and expenses arising under the insurance program for which ModivCare is responsible.

Payment Type	Payment Amount
Insurance Claims	\$10,408,321.73
TPA Fees	\$381,848.25
TPA Claims Escrow Account	\$525,000.00
TOTAL	\$11,315,169.98

A schedule of the above amounts is attached as **Exhibit B**.

19. State National expects that it will be required to fund additional losses and expenses going forward. Additionally, while State National has been reimbursed for some (but not all) of the above amounts from the collateral, those reimbursements diminished the collateral, which is already deficient.

20. State National reviewed NEMT's collateral obligations as of the end of the third quarter of 2025. Thereafter, on October 22, 2025, State National demanded that NEMT post additional collateral in the amount of \$54,402,768. To date, NEMT has not posted the amounts due, and ModivCare is responsible for at least its approximate 70% share of this deficit equating to more than \$38,081,937.

21. The next Collateral Adjustment will be performed for year-end 2025. State National anticipates that this Collateral Adjustment will be performed prior to any administrative claims bar date, and thus reserves its right to amend this Application to reflect any adjustment in such collateral.

BASIS FOR RELIEF

A. State National is Entitled to an Administrative Claim Under Section 503(b).

22. Section 503(b) of the Bankruptcy Code provides in relevant part:

(b) After notice and a hearing, there shall be allowed administrative expenses, other than claims allowed under section 502(f) of this title, including—
 (1)(A) the actual, necessary costs and expenses of preserving the estate.

11 U.S.C. § 503(b). The Bankruptcy Code provides administrative priority to certain claims to encourage third parties to provide the goods and services necessary for a debtor to continue operating its business, “thus generating funds from which prepetition creditors can be paid.” *Nabors Offshore Corp. v. Whistler Energy II, L.L.C. (Matter of Whistler Energy II, L.L.C.)*, 931 F.3d 432, 442 (5th Cir. 2019) (quoting *In re TransAmerican Nat. Gas Corp.*, 978 F.2d 1409, 1420 (5th Cir. 1992)).

23. “[T]o qualify as an ‘actual and necessary cost’ under section 503(b)(1)(A), a claim against the estate must have arisen post-petition and as a result of actions taken by the trustee [or debtor-in-possession] that benefitted the estate.” *In re Jack/Wade Drilling, Inc.*, 258 F.3d 385, 387 (5th Cir. 2001) (alteration in original). “[I]n the context of the commercial transactions for goods and services, a creditor must show some inducement by the debtor-in-possession.” *Matter of Whistler Energy*, 931 F.3d at 442. In the Fifth Circuit, the “knowing and voluntary post-petition acceptance of desired goods and services” is sufficient to show inducement. *Id.* at 443; *see also In re Adelphia Bus. Sols., Inc.*, 296 B.R. 656, 665 (Bankr. S.D.N.Y. 2003) (reasoning that administrative priority is appropriate where “the post-petition benefit is knowingly accepted and desired, post-petition, by the post-petition debtor-in-possession.”).

24. In this case, ModivCare admits that it has knowingly accepted the benefits of the Reinsurance Agreements from State National post-petition. (*See Insurance Motion*, ¶ 17–18.) Specifically, in the Insurance Motion, ModivCare admits that the continued operation of the NEMT insurance program insulates ModivCare from liability on claims and will “ensure that the value of ModivCare’s interest in NEMT Series 1 is preserved.” (*See id.*)

25. The Fifth Circuit has acknowledged that “conducting business as usual often requires that certain goods or services be available, even if ultimately not used. Insurance coverage, for example, benefits the debtor-in-possession by minimizing the risk of unexpected and potentially catastrophic expenses.” *Matter of Whistler Energy II, L.L.C.*, 931 F.3d 432, 444 (5th Cir. 2019).

26. The same principle is applicable here: continuing to participate in the NEMT insurance program in the ordinary course, including honoring all obligations that may come due under such program, will insulate ModivCare from liability and ensure that the value of ModivCare’s interest in NEMT is preserved.

27. In addition, to the extent that any Collateral Adjustment ultimately determines that State National is holding excessive collateral, that excess collateral would be returned to NEMT and thereby inure to ModivCare’s benefit as its majority owner.

28. Accordingly, State National hereby asserts, and submits that it is entitled to an administrative claim pursuant to Section 503(b) of the Bankruptcy Code, pursuant to which ModivCare’s obligations to State National under the Guaranty Agreement would continue, including the amounts needed to pay losses and expenses and for the outstanding needed collateral.

RESERVATION OF RIGHTS

29. State National reserves the right to amend, modify, or supplement this Application and to assert any other rights, claims, or remedies it may have against the Debtors.

CONCLUSION

WHEREFORE, State National respectfully requests that this Court enter an order allowing it an administrative claim.

Dated: December 9, 2025

Respectfully submitted,

/s/ Simon R. Mayer

Simon R. Mayer

Texas Bar Number 24060243

TROUTMAN PEPPER LOCKE LLP

600 Travis Street, Suite 2800

Houston, Texas 77002

Telephone: (713) 226-1507

Facsimile: (713) 229-2675

Email: Simon.Mayer@troutman.com

***Counsel to National Specialty Insurance
Company***

Certificate of Service

I certify that on December 9, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Simon R. Mayer

Simon R. Mayer

Exhibit A

GUARANTY AND INDEMNIFICATION AGREEMENT

This GUARANTY AND INDEMNIFICATION AGREEMENT (this "Agreement") is made as of 12:01 a.m. Central Time May 1, 2022, by and among the SUBSCRIBING GUARANTOR(S) executing the attached Interests and Liabilities Contract(s) (collectively, the "Guarantor") and National Specialty Insurance Company ("State National").

WHEREAS, State National has entered into a Quota Share Reinsurance Agreement, effective as of November 30, 2020, under which NEMT Insurance DE LLC, SERIES 1 ("Reinsurer") shall act as a reinsurer of business written on behalf of State National by NEMT Insurance LLC (the "General Agent") (the "Reinsurance Agreement").

WHEREAS, State National has contracted with the General Agent to perform certain services for State National pursuant to the terms and conditions of the General Agency Agreement, effective as of November 30, 2020, by and among State National, Reinsurer and the General Agent (the "General Agency Agreement").

WHEREAS, State National, as a condition precedent to entering into the Reinsurance Agreement and the General Agency Agreement, requires Guarantor to guarantee, by this Agreement, the performance of Reinsurer under the Reinsurance Agreement and the General Agency Agreement;

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties agree:

1. Guarantor shall guarantee, by this Agreement, the performance and obligations of Reinsurer under the Reinsurance Agreement and the General Agency Agreement, with respect to the subject insurance business, as more specifically described in the Reinsurance Agreement and General Agency Agreement.
2. Guarantor shall indemnify and hold State National harmless with respect to any and all liabilities, losses, claims, demands, costs, of whatever kind or character (except for costs and attorneys' fees found to be unreasonable), arising out of or relating in any way to the obligations and liabilities of Reinsurer arising from or relating to the Reinsurance Agreement, the General Agency Agreement and/or the subject insurance business produced thereunder.
3. Guarantor further agrees that it shall make directly to State National any payments, arising out of or relating in any way to the obligations and liabilities of Reinsurer arising from or relating to the Reinsurance Agreement, the General Agency Agreement and/or the subject insurance business produced thereunder, which the Reinsurer is unwilling or unable to make so that State National shall not be required to make any such payments without first being paid by Guarantor. Any payment or payments required under this Agreement will be made by Guarantor within five (5) business days after its receipt of State National's notice of a claim hereunder. Guarantor further agrees that even if it disputes a claim hereunder, it shall first make such payment hereunder to State National and then dispute such payment.
4. This Agreement will be binding upon and inure to the benefit of the parties, their successors and payment by Guarantor to State National under this Agreement shall constitute payment by Reinsurer under the Reinsurance Agreement or General Agency Agreement, as applicable, to State National, their liquidator, successors, or assigns.

5. There will be no modification of or change in the terms of this Agreement without the written approval of the parties to this Agreement.

6. In the event of any conflict or inconsistency between this Agreement and the Reinsurance Agreement or General Agency Agreement, this Agreement shall prevail and be controlling. Notwithstanding anything to the contrary contained in this herein, any irreconcilable dispute between the parties to this Agreement shall be resolved by arbitration, in the manner and pursuant to the procedure set forth in the Reinsurance Agreement.

7. This Agreement shall remain in full force and effect as long as Reinsurer has any obligations under the Reinsurance Agreement, the General Agency Agreement or under this Agreement. This Agreement shall be irrevocable and continuing, except as otherwise provided herein. The liabilities hereunder shall in no way be affected, modified or diminished by reason of any assignment permitted under the subject agreements or by any renewal, extension or modification of or any supplement or amendment to the Reinsurance Agreement. State National's remedies under the Reinsurance Agreement and under this Agreement are distinct, separate and cumulative and no such right or remedy therein or herein, whether exercised by State National or not, is intended to exclude or waive any of the other rights and remedies therein or herein. Payment hereunder by Guarantor shall inure to the benefit of Reinsurer or General Agent.

8. Guarantor hereby: unconditionally and irrevocably submits to the jurisdiction of the state District Courts in Tarrant County, Texas; and agrees to comply with all requirements necessary to give such courts jurisdiction; and represents it has the applicable requisite authority and approval to fulfill the obligations contemplated herein.

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SIGNATURES APPEAR ON THE INTERESTS AND LIABILITIES CONTRACT(S).]

Interests and Liabilities Contract
(hereinafter referred to as the "Contract")

to the

Guaranty and Indemnification Agreement
Effective: May 1, 2022
(hereinafter collectively referred to as the "Agreement")

It is hereby agreed by

National Specialty Insurance Company
(hereinafter referred to as the "Company")

and

ModivCare Inc.
(hereinafter referred to as the "Subscribing Guarantor")

1. The Subscribing Guarantor shall have a 65% of 100% in the Interests and Liabilities of the "Guarantor" as set forth in the Agreement and this Contract. The Company hereby agrees to its Interest and Liabilities as set forth in the Agreement and this Contract. This Contract shall continue in force until terminated in accordance with the provisions of the Agreement.
2. The participation of the Subscribing Guarantor shall be several and not joint with the participation of other Subscribing Guarantors, and under no circumstances shall the Subscribing Guarantor participate in the Interests and Liabilities, if any, of the other Subscribing Guarantors in said Agreement.
3. This Contract shall attach at 12:01 A.M., Central Time, May 1, 2022, and is subject to the provisions contained in the attached Agreement which are hereby incorporated by reference into this Contract and which shall apply as though they had been specifically provided for herein.
4. The Agreement, to which this Contract is attached and therefore the Interests and Liabilities of the Subscribing Guarantor therein, may be changed, altered and amended as the parties may agree, provided such change, alteration and amendment is evidenced in writing or by Addendum to this Contract, executed by the Company and the Subscribing Guarantor.
5. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

In Witness Whereof, the parties hereto by their duly authorized representatives have executed this Contract effective May 1, 2022.

NATIONAL SPECIALTY INSURANCE COMPANY

DocuSigned by:
BY: David Cleff
48AE869CA71349D...

ITS: EVP

DATE: 12/2/2022

MODIVCARE INC.

DocuSigned by:
BY: Stephen Moors
08070825071406...

ITS: Director of Risk Management

DATE: 11/29/2022

**ADDENDUM NUMBER ONE TO THE
INTERESTS AND LIABILITIES CONTRACT TO THE
GUARANTY AND INDEMNIFICATION AGREEMENT
BY AND BETWEEN
NATIONAL SPECIALTY INSURANCE COMPANY
AND
MODIVCARE INC.**

THIS ADDENDUM NUMBER ONE TO THE INTERESTS AND LIABILITIES CONTRACT TO THE GUARANTY AND INDEMNIFICATION AGREEMENT (this "Addendum") is effective July 1, 2024, by and among NATIONAL SPECIALTY INSURANCE COMPANY (the "Company") and MODIVCARE INC. (the "Subscribing Guarantor");

WITNESSETH:

WHEREAS, the Company and Subscribing Guarantor have previously entered into that certain Interests and Liabilities Contract to the Guaranty and Indemnification Agreement effective as of May 1, 2022 (the "Contract"); and

WHEREAS, the parties desire to amend certain provisions of the Contract, as more fully set forth below;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The Recitals to the Guaranty and Indemnification Agreement are hereby deleted and replaced in their entirety as follows:

"WHEREAS, State National has entered into a Quota Share Reinsurance Agreement, effective as of November 30, 2020, under which NEMT Insurance DE LLC, SERIES 1 ("Reinsurer") shall act as a reinsurer of business written on behalf of State National by NEMT Insurance, LLC (the "General Agent") (the "2020 Reinsurance Agreement").

WHEREAS, State National has entered into a Quota Share Reinsurance Agreement, effective as of July 1, 2024, under which Reinsurer shall act as reinsurer of business written on behalf of State National by the General Agent (the "2024 Reinsurance Agreement," together with the 2020 Reinsurance Agreement, collectively, the "Reinsurance Agreement").

WHEREAS, State National has contracted with the General Agent to perform certain services for State National pursuant to the terms and conditions of the General Agency Agreement, effective as of November 30, 2020, by and among State National, Reinsurer and the General Agent (the "2020 General Agency Agreement").

WHEREAS, State National has contracted with the General Agent to perform certain services for State National pursuant to the terms and conditions of the General Agency Agreement, effective as of July 1, 2024, by and among State National, Reinsurer and the General Agent (the "2024 General Agency Agreement").

Agreement,” together with the 2020 General Agency Agreement, collectively, the “General Agency Agreement”).

NOW THEREFORE, in consideration of the premises and mutual covenants contained here, the parties agree.”

2. Section 1 of the Contract is hereby deleted and replaced in its entirety as follows:

“The Subscribing Guarantor shall have a 70% of 100% in the Interests and Liabilities of the “Guarantor” as set forth in the Agreement and this Contract. The Company hereby agrees to its Interest and Liabilities as set forth in the Agreement and this Contract. This Contract shall continue in force until terminated in accordance with the provisions of the Agreement.”

3. This addendum may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
4. Except as amended hereby, all other terms and conditions of the Contract to which this Addendum attaches remain unchanged.

IN WITNESS WHEREOF, the parties have executed this Addendum by and through duly authorized officers thereof as of the date first above written.

NATIONAL SPECIALTY INSURANCE COMPANY

BY: DocuSigned by:
David Cleff
 ITS: EVP 48AE869CA71349D...
 DATE: 3/31/2025

MODIVCARE INC.

BY: DocuSigned by:
Stephen Moors
 ITS: Director of Risk Management
 DATE: 3/31/2025

Exhibit B

Amounts Paid After August 20, 2025

Treaty Year	Claims Paid	ModivCare Participation Rate for TY	ModivCare Estimated Responsibility by Treaty Year
TY1	6,285,806.89	100.00%	6,285,806.89
TY2	3,003,160.65	65.00%	1,952,054.42
TY3	1,897,189.88	65.00%	1,233,173.42
TY4	1,338,981.42	70.00%	937,286.99
Total	12,525,138.84		10,408,321.73

Athens TPA Fees by Month	TPA Fees Paid	ModivCare Participation Rate for TY 4	ModivCare Estimated Responsibility
Jul-25	165,706.25	70.00%	115,994.38
Aug-25	91,450.00	70.00%	64,015.00
Sep-25	61,450.00	70.00%	43,015.00
Oct-25	157,691.25	70.00%	110,383.88
Nov-25	69,200.00	70.00%	48,440.00
Total	545,497.50		381,848.25

Athens TPA Escrow Funding	TPA Escrow Paid	ModivCare Participation Rate for TY 4	ModivCare Estimated Responsibility
Aug-25	750,000.00	70.00%	525,000.00
Total	750,000.00		525,000.00

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

-----X

In re

Chapter 11

MODIVCARE INC., *et al.*,

Case No. 25-90309 (ARP)

Debtors.¹

(Jointly Administered)

-----X

**ORDER GRANTING APPLICATION OF
NATIONAL SPECIALTY INSURANCE COMPANY
FOR PAYMENT OF ADMINISTRATIVE CLAIM UNDER 11 U.S.C. § 503(b)(1)**

Upon the *Application of National Specialty Insurance Company for Payment of Administrative Claim Under 11 U.S.C. § 503(b)(1)* (the “*Application*”)² for entry of an order allowing, and compelling immediate payment of, the Administrative Claim pursuant to section 503(b) of the Bankruptcy Code; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that sufficient notice of the Application has been given and that no other or further notice is necessary; and after due deliberation thereon; and the Court having determined that there is good and sufficient cause for the relief set forth in this Order, **IT IS HEREBY ORDERED THAT:**

¹ A complete list of each of the Debtors in these chapter 11 cases (the “Chapter 11 Cases”) and the last four digits of each Debtor’s taxpayer identification number (if applicable) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/ModivCare>. Debtor ModivCare Inc.’s principal place of business and the Debtors’ service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

² Capitalized terms not defined herein are defined in the Application.

1. The Application is **GRANTED**.
2. State National is hereby granted an administrative expense claim in the amount of no less than \$11,315,169.98, plus all other obligations of the Debtors, including for additional collateral, that is or may come due pursuant to the Reinsurance Agreements and the Guaranty Agreement (the “*Allowed State National Admin Claim*”) under 11 U.S.C. § 503.
3. The Debtors are hereby authorized and directed to pay State National the full amount of the Allowed State National Admin Claim within seven (7) days of entry of this Order.
4. Notwithstanding anything herein or in the Federal Rules of Bankruptcy Procedure, this Order shall become effective immediately upon its entry.
5. Nothing in this Order is or shall be construed as a satisfaction, waiver, or release of any claim(s) that State National has asserted against the Debtors or may assert against the Debtors or any of their affiliates.
6. This Court retains jurisdiction over all matters arising from or related to the interpretation, implementation, and enforcement of this Order.