

THE STATE OF TEXAS
Plaintiff,

v.

CAPSON PHYSICIANS INSURANCE
COMPANY,
Defendant.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

250TH JUDICIAL DISTRICT

**ORDER APPROVING SPECIAL DEPUTY RECEIVER’S APPLICATION
TO APPROVE SETTLEMENT AGREEMENT
[Nationwide Life and Annuity Insurance Company]**

The Court considered the *Special Deputy Receiver’s Application to Approve Settlement Agreement [Nationwide Life and Annuity Insurance Company]* filed by CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Capson Physicians Insurance Company (the “SDR” and “CPIC,” respectively). Having considered the Application, the Court finds as follows:

1. The *Order of Reference to Master and Supplemental Order of Reference to Master* (collectively, the “Order of Reference”) entered by this Court provides that applications filed pursuant to TEX. INS. CODE § 443.007 are referred to the Special Master appointed in this proceeding;
2. The Application was submitted to the Special Master in accordance with the Order of Reference;
3. Notice of the Application was provided in accordance with TEX. INS. CODE §443.007 (d) and the Order of Reference, and no objections to the Application were filed;
4. The Texas Property and Casualty Insurance Guaranty Association (“TPCIGA”) filed its Acknowledgment and Waiver to the Application.

5. The Special Master has issued a recommendation that the Application should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure;

6. The Court has jurisdiction over the Application and the parties affected hereunder;
and

7. The Application should be GRANTED in all respects.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED as follows:

1. The Application is GRANTED.
2. The Nationwide Settlement Agreement is approved; and
3. The SDR is authorized to take such actions necessary to effectuate the purposes of the Application;
4. This Order does **not** release the SDR's actions, causes of action, claims, counterclaims, debts, demands, liabilities, losses and damages against any party **other** than Nationwide Life and Annuity Insurance Company ("Nationwide") (and, as to claims against Nationwide, such release will only operate to require the SDR to seek to satisfy any such claims from the proceeds paid into the escrow account described in the Nationwide Settlement Agreement);
5. The SDR's actions, causes of action, claims, counterclaims, debts, demands, liabilities, losses and damages, known or unknown, against all other parties, including but not limited to: Capson Corp., Capson Physicians Insurance Agency, Inc., Capson Healthcare Services, Inc., AXA Equitable Life Insurance Company, all current or former officers, directors, employees, agents, shareholders, and/or attorneys of CPIC, Capson Corp., Capson Physicians Insurance Agency, Inc., Capson Healthcare Services, Inc. are not released, but are specifically reserved;

6. This Order shall not affect in any way, the Receiver's and the SDR's immunities from suit and shall not give rise to any right to sue or create any causes of action against the Receiver or the SDR;
7. The SDR and Nationwide shall pay their own respective attorneys' fees and costs that have arisen, and may continue to arise, in connection with this Order and the Nationwide Settlement Agreement; and
8. This Order constitutes a final judgment fully resolving all issues relating to the Application, provided that this Court shall retain jurisdiction to issue further orders pursuant to TEX. INS. CODE Chapter 443. This Order does not modify any of the terms or provisions of this Court's *Order Appointing Liquidator and Permanent Injunction* or the automatic stay imposed by TEX. INS. CODE § 443.008.

Signed on this _____ day of _____, 2019.

JUDGE PRESIDING