

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 GRANTING SPECIAL DEPUTY RECEIVER’S APPLICATION FOR APPROVAL OF CLAIM FILING DEADLINE, GUIDELINES FOR PROVIDING NOTICE, AND PROCEDURES FOR PROCESSING CLAIMS

On this date, the Court heard the *Application for Approval of Claim Filing Deadline, Guidelines for Providing Notice, and Procedures for Processing Claims* (the “Application”) filed by CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Capson Physicians Insurance Company (the “SDR” and “CPIC” respectively). The SDR appeared by and through its counsel. The Application was submitted to the Master appointed in this cause (“Special Master”) in accordance with the *Supplemental Order of Reference to Master* (“Order of Reference”). The Special Master issued a recommendation under Rule 171 of the Texas Rules of Civil Procedure, which is incorporated herein.

Having considered the Application and the recommendation, the Court finds as follows:

1. The *Order of Reference* provides that motions filed pursuant to TEX. INS. CODE § 443.155 are referred to the Special Master;
2. Notice of the Application was provided in accordance with TEX. INS. CODE § 443.007 (d) and the *Order of Reference*;
3. No objections to the Application were filed;

4. The Texas Property and Casualty Insurance Guaranty Association filed its acknowledgement and waiver;
5. The Court has jurisdiction over the Application and the parties affected hereunder;
and
6. The SDR's Application should be granted as set forth below.

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

1. The Application is GRANTED in all respects;
2. The notices and forms as described in the Application are APPROVED;
3. The Court finds that the provisions of the Application and Exhibits comply with the requirements of § 443.155 of the Texas Insurance Code and due process;
4. December 28, 2020, is the claim filing deadline;
5. The SDR's proposed claim processing procedures are APPROVED;
6. The SDR is authorized to deem statutory deductible claims, consisting of claims arising from the application of deductibles or co-insurance payments under some guaranty association statutes, as duly filed claims. Any alleged claims for policyholder deductible or any other type of deductible claim are NOT deemed as timely filed claims;
7. The SDR is authorized to deem claims involving fronting arrangements as duly filed claims against the estate. This order does not affect the classification of such claims or the ultimate allowance of any such claims.
8. Claimants who assert third-party claims against CPIC policyholders and who file, or are deemed to have filed, a proof of claim with the SDR shall be deemed to have

released and waived any such claim up to the amount of the CPIC policy limits under § 443.256(h) of the Texas Insurance Code; and

9. This order adjudicates all relief requested the Application.

Signed on this _____ day of _____, 2019.

JUDGE PRESIDING