

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 TO APPROVE
FIRST EARLY ACCESS DISTRIBUTION**

On this date, the Court heard the Special Deputy Receiver’s Application to Approve First Early Access Distribution 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 Court has jurisdiction over the Application and the parties affected hereunder;
2. The *Supplemental Order of Reference to Master* entered on September 18, 2019 (“Order of Reference”) provides that motions filed pursuant to TEX. INS. CODE § 443.303 are referred to the Special Master appointed in this proceeding the (“Master”);
3. Notice of the Application was provided in accordance with TEX. INS. CODE § 443.007(d) and § 443.303(e), and the Order of Reference;
4. The Texas Property and Casualty Insurance Guaranty Association filed its acknowledgement and waiver;
5. No objections to the Application were filed;
6. The Master issued a report pursuant to Rule 171 of the Texas Rules of Civil Procedure recommending that the Application be approved, which is incorporated herein; and
6. The SDR’s Application should be granted in all respects.

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

1. The Application is hereby GRANTED in all respects.
2. The Special Deputy Receiver shall distribute \$6,689,544.21 from the assets of the receivership estate to the Affected Associations as defined in the Application in the amount described in **Exhibit 3** to the Application as an early access distribution pursuant to TEX. INS. CODE § 443.303. The early access distribution to the Affected Associations shall be treated as advances against distributions to be made under TEX. INS. CODE § 443.302.
3. The SDR is authorized to reduce the amounts distributed in the first early access distribution to the New Mexico and Oregon insurance guaranty associations by the amount of the deposits made by CPIC that are held by or withdrawn by insurance regulators or ancillary receivers in their respective states. The deposits shall be treated as advances against any distributions to be made to those states' insurance guaranty associations under TEX. INS. CODE § 443.302 for the purposes of this order. If the deposits are not transferred to the New Mexico association and/or the Oregon association in whole or in part, the SDR shall make distributions as necessary to equalize the final distributions between all Affected Associations.
4. The early access distribution[s] shall be made within thirty (30) business days after the date of this Order, unless a timely motion for new trial has been filed, an appeal has been filed or an order staying the distribution has been entered and not yet expired.
5. Any Affected Association must return to the Special Deputy Receiver any amount of the early access distribution[s] if such amount is required to pay secured creditors and other claims as provided in TEX. INS. CODE § 443.303(g).
6. The Special Deputy Receiver is authorized to take any actions necessary to implement this Order.

7. This first early access distribution will apply to the Class 1 claims of the Affected Associations under TEX. INS. CODE §443.301(a).

8. This Order constitutes a final ruling 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.

Signed on this _____ day of _____, 2021.

JUDGE PRESIDING