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D-1-GN-19-000723
Velva L. Price
District Clerk
Travis County

CAUSE NO. D-1-GN-19-000723

THE STATE OF TEXAS *Plaintiff,*	§	IN THE DISTRICT COURT OF
v.	§	TRAVIS COUNTY, TEXAS
CAPSON PHYSICIANS INSURANCE COMPANY, *Defendant.*	§	250TH JUDICIAL DISTRICT

ORDER APPROVING SPECIAL DEPUTY RECEIVER'S APPLICATION TO APPROVE COMMUTATION AND RELEASE AGREEMENT [HANNOVER RUCK SE]

The Court considered the *Special Deputy Receiver's Application to Approve Commutation and Release Agreement [Hannover Ruck SE]* (the "Application") filed by CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Capson Physicians Insurance Company (the "SDR" and "CPIC," respectively).

The Application requests an order approving of the Reinsurance Commutation and Release Agreement (the "Agreement"), which authorizes the SDR to resolve all claims and obligations among CPIC, Hannover Ruck SE ("Hannover"), and Granite State Insurance Company ("GSIC") under several reinsurance contracts (the "Contracts"). 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 Special Master found that the Agreement was in the best interest of the CPIC liquidation, its policyholders and creditors;

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

8. The Application should be GRANTED in all respects.

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

1. Exhibit 1 (the affidavit of Joseph N. West), and Exhibit 1.1 (the proposed Commutation and Releasee Agreement attached to Exhibit 1), are admitted into evidence;

2. The Agreement is in the best interest of the CPIC liquidation, its policyholders and creditors;

3. The Application is hereby approved

4. The proposed Agreement is approved;

5. The SDR is authorized to enter in the Agreement;

6. The SDR is authorized to take such actions necessary to effectuate the purposes of the Application and the Agreement;

7. 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;

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, Permanent Injunction, and Notice of Automatic Stay* or the automatic stay imposed by TEX. INS. CODE § 443.008

9. Any disputes relating directly or indirectly to the Agreement will be heard in this proceeding and referred to the Master appointed by this Court in accordance with the Order of Reference.

Signed on this 6th day of July, 2026.

JUDGE PRESIDING

PROPER NOTICE GIVEN
ACKNOWLEDGMENT OF NOTICE AND WAIVER
OF OBJECTION PRESENTED
SUBMITTED
RECOMMENDED
SIGNED ON 29th DAY OF June 2026

TOM COLLINS, RECEIVERSHIP SPECIAL MASTER