

Cause No. D-1-GN-20-003004

THE STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
Plaintiff	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
HOUSTON GENERAL INSURANCE	§	
EXCHANGE AND HOUSTON GENERAL	§	
INSURANCE MANAGEMENT COMPANY,	§	
Defendant	§	98TH JUDICIAL DISTRICT

ORDER APPROVING APPLICATION TO MAKE FINAL DISTRIBUTION AND DESTROY RECORDS

On this day the Court considered the Application to Make Final Distribution and Destroy Records (Application) filed by Risk & Regulatory Consulting, LLC as Special Deputy Receiver of Houston General Insurance Exchange and Houston General Insurance Management Company (respectively SDR, HGIE and HGIMC or collectively, the Defendants). The Application requests an order pursuant to TEX. INS. CODE §§ 443.301, 443.302, and 443.354 authorizing the SDR to make a final distribution of the receivership estate's assets and dispose of or transfer any remaining records of Defendants.

In accordance with the Order of Reference to Master (Master) entered on June 10, 2020 (Order of Reference) and the Supplemental Order of Reference (Supplemental Order of Reference) entered on November 2, 2020, the Application was properly submitted to the Master appointed in this cause (Master). The Master has issued a report pursuant to Rule 171 of the Texas Rules of Civil Procedure, which is incorporated herein, finding and recommending as follows:

1. The Supplemental Order of Reference provides that applications filed pursuant to TEX. INS. CODE § 443.007, § 443.301, § 443.302, and § 443.354 are referred to the Master.

2. Notice of the hearing by submission on the Application was (i) served on parties in interest as defined in § 443.004(a)(17) and was proper, made in accordance with the notice requirements of TEX. INS. CODE ANN. § 443.007 and the Order of Reference.
3. The Texas Property and Casualty Insurance Guaranty Association (TPCIGA) filed its acknowledgement and waiver.
4. No objections to the Application were filed.
5. The Court has jurisdiction over the Application and the parties affected hereunder.
6. The SDR's Application should be granted in all respects.

Having considered the pleadings, the evidence submitted, and the recommendation of the Master, the Court accepts the Master's report, and grants the Application.


It is therefore **ORDERED, ADJUDGED and DECREED** that:

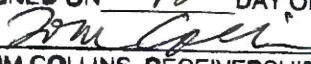
1. The Application, and all discretionary decisions of the SDR included in the Application, are approved in all respects;
2. The facts in the Application, verified and sworn to in Exhibit 1, and Exhibits 2 through 6 are admitted into evidence and the facts contained in the Application and its exhibits are accepted into evidence as prima facie proof of the matters asserted;
3. This Court takes judicial notice of all matters contained in this Court's file pursuant to TEX. R. CIV. EVID. 201;
4. The final financial statements are accepted;
5. Approving the estimated closing expenses as reflected on Exhibit 5;
6. The SDR is authorized to distribute the cash assets of the receivership estate as described in the Application;

7. The SDR is authorized to transfer to TPCIGA any Residual Funds, if any, remaining after all distributions are made, up to the allowed amount of its Class 1 claim;
8. The SDR is authorized to assign non-cash assets to the Commissioner, including but not limited to, assets and rights not known at the time of the termination of this proceeding;
9. The SDR is authorized to transfer to TPCIGA claims records for which it agrees to accept responsibility, and authorizing TPCIGA to retain or dispose of such records at its discretion;
10. The SDR is authorized to dispose of the records listed in Exhibit 6 and deliver any remaining records that are not transferred to TPCIGA to the Commissioner, and authorizing the Commissioner to maintain or dispose of such records at his or her discretion;
11. The SDR is authorized to transfer records to the Commissioner and the Commissioner is authorized to retain or dispose of such records at his discretion;
12. This Order constitutes a final disposition resolving all matters relating to the Application;
13. The SDR is authorized to execute any documents as necessary to effectuate purposes of the Application and this Order; and

14. Granting such further relief to which the SDR or Receiver may be entitled.

SIGNED this 1st day of November, 2023.


Catherine Mauzy
District Judge Presiding

PROPER NOTICE GIVEN
ACKNOWLEDGMENT OF NOTICE AND WAIVER
OF OBJECTION PRESENTED
SUBMITTED
RECOMMENDED
SIGNED ON 18th DAY OF Oct, 2023

TOM COLLINS, RECEIVERSHIP SPECIAL MASTER