

NO. D-1-GN-92-002133

STATE OF TEXAS	§	IN THE DISTRICT COURT
<i>Plaintiff,</i>	§	
	§	
V.	§	
	§	
EMPLOYERS CASUALTY	§	TRAVIS COUNTY, TEXAS
COMPANY, EMPLOYERS	§	
NATIONAL INSURANCE	§	
COMPANY AND EMPLOYERS	§	
OF TEXAS LLOYDS	§	
<i>Defendants.</i>	§	353rd JUDICIAL DISTRICT

**FINAL ACCOUNTING AND APPLICATION TO TERMINATE
EMPLOYERS NATIONAL INSURANCE COMPANY PROCEEDING
AND DISCHARGE RECEIVER AND SPECIAL DEPUTY RECEIVER**

TO THE HONORABLE JUDGE OF SAID COURT:

Jack M. Webb, Special Deputy Receiver of Employers National Insurance Company (the “SDR” and “ENIC”, respectively) files this *Final Accounting and Application to Terminate Employers National Insurance Company Proceeding and Discharge Receiver and Special Deputy Receiver* (the “Application”).

I. INTRODUCTION

1.1 On February 10, 2010, this Court reopened the ENIC receivership proceeding (the “ENIC Receivership”), and consolidated it into this action solely for administrative purposes. The SDR has completed the distribution of ENIC’s assets and hereby submits its final accounting. The SDR requests that the Court terminate the ENIC Receivership proceeding, and discharge Eleanor Kitzman, the Commissioner of Insurance of the State of Texas (“Commissioner”), as Receiver of ENIC, and Jack M. Webb as the SDR of ENIC.

1.2 This Application only involves the ENIC Receivership, and does not affect the Employers Casualty Company (“ECC”) and Employers of Texas Lloyds (“ETL”) receiverships.

II. AUTHORITY

2.1 The SDR files this Application pursuant to TEX. INS. CODE § 443.352, which provides for the termination of the receivership proceeding. The SDR is authorized to file this Application under TEX. INS. CODE § 443.154 (a). Unless otherwise indicated, all statutory references herein are to the Texas Insurance Code. [1.2]

2.2 The subject matter of the Application has been referred to the Special Master appointed in this proceeding in accordance with Paragraph III of the *Second Amended Order of Reference to Master* entered on November 3, 2005.

III. DISTRIBUTION

3.1 On December 30, 2011, this Court approved an *Order Approving Final Report and Application to Make Final Distribution* in the ENIC Receivership proceeding (the "Distribution Order"). The Distribution Order required the SDR to make a distribution of the assets from the ENIC Receivership, and file a final accounting thereof.

3.2 The SDR distributed the estate's assets in accordance with the Distribution Order, as shown in Exhibit "1" attached hereto", which is incorporated by reference with the following exceptions, which are identified on the attached Exhibit 2. All such unclaimed and/or undistributed funds shall be remitted to the Commissioner pursuant to Section 443.304.

3.3 The SDR anticipates that there will be funds remaining from the Reserve for Final Expenses approved in the Distribution Order. In accordance with the Distribution Order, the residual funds will be distributed to the ECC receivership, ENIC's sole shareholder, under Section 443.301 (k).

IV. RECORDS

4.1 The Distribution Order authorized the SDR to dispose of certain records, to convey title of certain records to the ECC receivership estate and to transfer the remaining

records to the Commissioner and grant the Commissioner such discretion to retain or dispose of these records as appropriate. The SDR has transferred or disposed of the records, in the manner described in the Distribution Order and shall transfer the remaining records to the Commissioner.

V. FEDERAL INCOME TAX RETURNS

5.1 The federal income tax return for ENIC is filed as part of a consolidated return with its parent, ECC. The SDR has filed all income tax returns with the Internal Revenue Service. No taxes are owed to the Internal Revenue Service.

VI. FINAL FINANCIAL STATEMENTS

6.1 Attached hereto are the following final financial statements, which are incorporated by reference:

- a) Statement of Net Assets (Exhibit 3a) and Statement of Net Liabilities (Exhibit 3b)
- b) Sources and uses of cash (Exhibit 4)

VII. ASSIGNMENT

7.1 The Distribution Order authorized the SDR to assign to the ECC Receivership any remaining unknown or non-cash assets of ENIC. Attached hereto as Exhibit 5 is the executed Assignment transferring ownership of the remaining assets of ENIC to the ECC Receivership.

VIII. TERMINATION AND DISCHARGE

8.1 The SDR requests that this Court issue its final order terminating the ENIC receivership proceeding and discharging the Commissioner as Receiver of ENIC and Jack M. Webb as the SDR of ENIC; and releasing the SDR from his bond.

8.2 Section 443.014 provides immunity to current and former Receivers, SDRs and their assistants and contractors. As immunity continues to apply to such persons after they have been discharged, the termination of this proceeding will not affect the immunity available to the Receiver and SDR, their assistants and contractors, and their predecessors.

IX. OFFER OF PROOF

9.1 Jack M. Webb, Special Deputy Receiver of Employers National Insurance Company, submits the attached certification and affidavit pursuant to Section 443.017 (b) verifying the statements in this Application and authenticating the attached exhibits.

X. NOTICE

10.1 This Application has been served on the service list for this proceeding in accordance with Section 443.007(d) in the manner shown on the Certificate of Service, and has been posted on the SDR's website at www.TexasReceiver.com.

10.2 Pursuant to the *Order Granting SDR's Application to Use Electronic Service of Pleadings and Notices*, all pleadings filed in response to this Application or in regards to this proceeding shall be served by email on the undersigned counsel and all parties shown in the attached Certificate of Service.

PRAYER

WHEREFORE, PREMISES CONSIDERED, the SDR respectfully prays that this Court grant this Application and enter an order:

1. Accepting the SDR's final financial statements;
2. Approving in all respects this *Final Accounting and Application to Terminate Employers National Insurance Company Proceeding and Discharge Receiver and Special Deputy Receiver*;
3. Discharging the Commissioner as Receiver of ENIC, and Jack M. Webb as the SDR of ENIC, and releasing the SDR from his bond;
4. Terminating the ENIC proceeding; and
5. Granting the Receiver and the Special Deputy Receiver such other and further relief to which they may be justly entitled.

RESPECTFULLY SUBMITTED,

By: Christopher Fuller

Christopher Fuller

Texas Bar No. 07515500

4612 Ridge Oak Drive

Austin, Texas 78731

Tel. (512) 470-9544

cfuller@fullerlaw.org

Attorney for Jack M. Webb, Special Deputy
Receiver of Employers National Insurance
Company

CERTIFICATE OF SERVICE

I certify that on March 26, 2012, a true and correct copy of this Application was served pursuant to the provisions of the *Amended Order of Reference*, the *Order Granting SDR's Application to Use Electronic Service of Pleadings and Notices*, the Texas Rules of Civil Procedure and TEX. INS. CODE §443.007(d) on the following by electronic mail, except as specifically noted.

Christopher Fuller

Christopher Fuller

ECC/ETL/ENIC 3/26/12 COS

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SPECIAL DEPUTY RECEIVER'S NOTICE OF SUBMISSION

Pursuant to the terms of the *Amended Order of Reference to Master* entered by the District Court in this cause, the SDR's *Final Accounting and Application to Terminate Employers National Insurance Company Proceeding and Discharge Receiver and Special Deputy Receiver* is hereby set for written submission before the Special Master, Tom Collins, on April 9, 2012.

The Special Master has asked that the following rules be provided you:

1. Any objection must be filed with the Travis County District Clerk at least three (3) calendar days before the submission date.
2. A copy of any objection shall be served by email by such date on:
 - (a) The Special Master's Docket Clerk, Ms. Jean Sustaita, at Jean.Sustaita@tdi.state.tx.us.
 - (b) All interested parties by email, including the undersigned counsel, Christopher Fuller at cfuller@fullerlaw.org and those listed on the Applicant's Certificate of Service.
3. The objecting party shall coordinate with opposing counsel and the Docket Clerk at (512) 463-6450 to obtain an oral hearing setting for argument on the Application and Objection, and complete and attach an "Objecting Party's Notice of Oral Hearing" to the objection.
4. The written objection must specifically list all reasons for objection with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally.
5. Failure to file timely a written objection before the Special Master constitutes a waiver of the right to object to the Special Master's recommendation to the District Court.
6. Any Acknowledgment of Notice and Waiver to be filed by the Guaranty Association or other interested party should be filed at least (3) calendar days before the submission or hearing date.

Christopher Fuller
Christopher Fuller

LM DEC 30 2011

At 8:34A M.
Amalia Rodriguez-Mendoza, Clerk

NO. D-1-GN-92-002133

STATE OF TEXAS
Plaintiff,

V.

EMPLOYERS CASUALTY
COMPANY, EMPLOYERS
NATIONAL INSURANCE
COMPANY AND EMPLOYERS
OF TEXAS LLOYDS
Defendants.

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IN THE DISTRICT COURT

TRAVIS COUNTY, TEXAS

353rd JUDICIAL DISTRICT

**ORDER APPROVING SPECIAL DEPUTY RECEIVER'S FINAL REPORT AND
APPLICATION TO MAKE FINAL DISTRIBUTION
[EMPLOYERS NATIONAL INSURANCE COMPANY]**

On this day the Court heard the *Final Report and Application to Make Final Distribution* (the "Application") filed by Jack M. Webb, Special Deputy Receiver of Employers National Insurance Company (the "SDR" and "ENIC", respectively). The SDR appeared by and through its counsel. Having considered the Application, and the recommendation of the Special Master appointed in this proceeding ("the Master"), the Court finds as follows:

1. The *Seconded Amended Order of Reference to Master* ("Order of Reference") entered by this Court on November 3, 2005 provides that the Application is referred to the Master;

2. The Application was submitted to the Master in accordance with the Order of Reference;

3. Notice of the Application ^{was} ~~was~~ provided in accordance with TEX. INS. CODE ^{TRC} §443.007 (d) and the Order of Reference;

4. No objections were filed to the Application, and the Texas Property & Casualty Insurance Guaranty Association ("TPCIGA") filed its Acknowledgment and Waiver to the Application;

5. The 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 in interest; and

7. The Application should be GRANTED in all respects.

It is therefore ORDERED, ADJUDGED and DECREED as follows

1. The Application is granted in all respects.
2. Exhibits 1 through 3 to the Application are accepted and approved.
3. The SDR shall file a final report of expenses with its final accounting. No further interim reports of expenses are required pursuant to TEX. INS. CODE § 443.015 (g).
4. The SDR's Release Agreement with the United States, Exhibit 4, is approved.
5. The reserve for the estimated expenses to administer this proceeding through its termination, as set forth in Exhibit 5 to the Application, is approved.
6. The SDR shall distribute the assets of the receivership in accordance with TEX. INS. CODE § 443.302 as described in the Application.
7. The SDR's proposed treatment of withheld distributions to claimants who cannot be located or identified or who refuse to accept earlier distributions or failed to cash earlier distribution checks is approved.
8. The assignment to the ECC receivership of unknown assets of ENIC is approved, and the SDR is authorized to execute an assignment in a form substantially similar to Exhibit 6.
9. The SDR is authorized to dispose of ENIC's records in the manner described therein.
10. The SDR is authorized to transfer to the ECC receivership title to certain ENIC's records and authorizing him to retain or dispose of such records at his discretion.

11. The SDR is authorized to transfer to the Commissioner all remaining records of ENIC in his possession that may be required after the termination of this proceeding pursuant to TEX. INS. CODE § 443.354 (b), and the reserve for the estimated expenses to maintain such records is approved. The Commissioner is authorized to maintain or dispose of such records at her discretion.

12. The SDR's proposed notice, Exhibit 7, is approved and the Court finds that such notice is proper.

13. The SDR is authorized to execute and file any other tax forms as may be necessary.

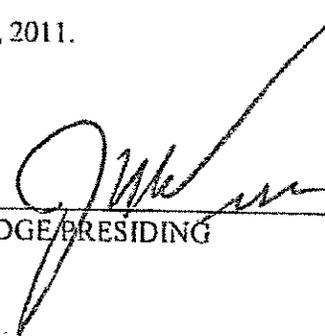
14. The SDR is authorized to file a final expense report with the final accounting.

15. The SDR is authorized to take any action necessary to implement this Order.

16. This Order does not modify any of the terms or provisions of this Court's *Permanent Injunction and Order Appointing Permanent Receiver* against ENIC.

17. 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.

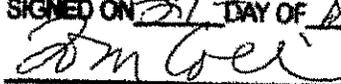
SIGNED this 30th day of Dec., 2011.



JUDGE PRESIDING

PROPER NOTICE GIVEN
ACKNOWLEDGMENT OF NOTICE AND WAIVER
OF OBJECTION PRESENTED
SUBMITTED

RECOMMENDED dh
SIGNED ON 27 DAY OF Dec. 2011



TOM COLLINS, RECEIVERSHIP SPECIAL MASTER

**EMPLOYERS NATIONAL INSURANCE COMPANY
WITHHELD DISTRIBUTIONS**

POC #	Claimant Name	Class 5 Distribution	Class 10 Interest	POC Address	Last Known Address
341	Allied Reporting & Video	316.35	197.00	Patti Mullins, President (signed POC) Allied Reporting & Video 700 Nations Bank Center South Tower Corpus Christi, TX 78471	No valid address found
513	NeuroDiagnostic Associates	1,410.06	878.00	Andrew D. Valencia, Laboratory Director (signed POC) NeuroDiagnostic Associates PO Box 781085 San Antonio, TX 78278	No valid address found
563	NeuroDiagnostic Associates	1,410.06	878.00	Andrew D. Valencia, Laboratory Director (signed POC) NeuroDiagnostic Associates PO Box 781085 San Antonio, TX 78278	No valid address found
3 POCs 2 Claimants		3,136.47	1,953.00		
Total Liabilities (Not Paid)		5,089.47			

R-490

**Employers National Insurance Company
Statement of Net Liabilities**

For Period Ending
02/27/2012

EXHIBIT 3 b

Line

02/27/12

Line	Description	02/27/12
1	Secured Claims	
2	APF Loan	
3	Special Deposit Claims	
Administrative Claims - Class 1		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	
	Liquidation Oversight	
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	
11	Unearned & Advance Premium Claims - Other	
Other Liabilities		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	
15	Class 5 Reinsurance Related Unsecured Claims	
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	
22	Other Liabilities	
	Detail Item if any	
	Detail Item if any	
	Total Liabilities	0
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	0
	Total Liabilities & Equity	0

EMPLOYERS NATIONAL INSURANCE COMPANY EXHIBIT 4
SOURCES AND USES OF CASH

	A	B	C	R
1				Inception
2	R-490		Employers National Insurance Company	to Date
3			Beginning Unencumbered Cash	-
4			Premium	
5			Premium Collections	-
6			Premium Collection Expense - SDR	-
7			Premium Collection Expense - Legal	-
8			Premium Collection Expense - Other	-
9			Receivable	
10			Agents Balance Receipts	-
11			Agent Balance Expense - SDR	-
12			Agent Balance Expense - Legal	-
13			Agent Balance Expense - Other	-
14			Reinsurance Recovery	27,854,711
15			Reinsurance Expense - SDR	(58)
16			Reinsurance Expense - Legal	-
17			Reinsurance Expense - Other	-
18			Subrogation Recovery	-
19			Subrogation Expense - SDR	-
20			Subrogation Expense - Legal	-
21			Subrogation Expense - Other	-
22			Affiliates Recovery	-
23			Affiliates Expense - SDR	-
24			Affiliates Expense - Legal	-
25			Affiliates Expense - Other	-
26			Settlement/Litigation Recovery	-
27			Settlement/Litigation Expense - SDR	-
28			Settlement/Litigation Expense - Legal	-
29			Settlement/Litigation Expense - Other	-
30			Other Receivable Receipts	-
31			Other Receivable Expense - SDR	-
32			Other Receivable Expense - Legal	-
33			Other Receivable Expense - Other	-
34			Sale/Conversion of Assets	
35			Sales of Real & Personal Property	-
36			Sales Real & Personal Prop Expense - SDR	-
37			Sales Real & Personal Prop Expense - Legal	-
38			Sales Real & Personal Prop Expense - Other	-
39			Investment Sales/Receipts	-
40			Investment Expense - SDR	-
41			Investment Expense - Legal	-
42			Investment Expense - Other	-
43			Other Asset Receipts	-
44			Other Asset Expense - SDR	(268)
45			Other Asset Expense - Legal	-
46			Other Asset Expense - Other	-
47			NET INCOME FROM ASSETS/RECEIVABLE	27,854,385
48				
49			Passive Income	
50			Investments Interest/Dividends	-
51			Cash Deposit Interest Income	28,930
52			Early Access Imputed Interest Income	-
53			NET INCOME/INCLUDING PASSIVE	27,883,315

EMPLOYERS NATIONAL INSURANCE COMPANY EXHIBIT 4
SOURCES AND USES OF CASH

	A	B	C	R
1				Inception
2	R-490		Employers National Insurance Company	to Date
55	CLAIMS EXPENSE:			
56	Claims Administrative Expenses:			
57			Claims Expense - SDR	(109,827)
58			Claims Expense - Legal	(13,314)
59			Claims Expense - Other	-
60	TOTAL CLAIMS EXPENSES			(123,141)
61				
62	Distributions: (not included in claims totals)			
63			Refunds	-
64			Loss Claims Payments	(27,602,839)
65			LAE Expense Payments	-
66			Early Access - Guaranty Associations	-
67			Other Distributions	-
68	TOTAL DISTRIBUTIONS			(27,602,839)
69				
70				
71	GENERAL ADMINISTRATION EXPENSES			
72			Takeover Expense (pre-appointment)	-
73			Bank Charges	(5,051)
74			Building/Utilities/Related Expenses	-
75			Employee - Payroll, P/R Tax, Benefits, Contract	-
76			Equipment/Lease/Maintenance	-
77			Inventory/Storage/Moving	(708)
78			IT/Computer Expense	-
79			Mailing/Printing/Postage/Publication	(68)
80			Miscellaneous Expenses	(1,311)
81			Telephone	(191)
82			Receivership Allocation	(18,774)
83	GENERAL ADMINISTRATION EXPENSES			(26,103)
84				
85	SUBCONTRACTOR ADMINISTRATIVE FEES & EXPENSES:			
86			Accounting/Auditing/Federal Income Tax Services	(2,200)
87			Accounting HSP Administration	-
88			Accounting/Auditing - Expenses	-
89			Consulting Fees/Services	-
90			Consulting Fees/Services - Expenses	-
91			Legal Fees/Services	(11,513)
92			Legal Fees/Services HSP Administration	-
93			Legal Fees/Services - Expenses	(620)
94	SUBCONTRACTOR ADMINISTRATIVE FEES & EXP			(14,333)
95				
96	SDR ADMINISTRATIVE FEES & EXPENSES:			
97			SDR Administration Fees	(98,723)
98			SDR Accounting Fees	(16,579)
99			SDR HSP Administration	-
100			SDR Special Services	(130)
101			SDR Travel Expenses	-
102			SDR Expenses	(1,467)
103	SDR ADMINISTRATIVE FEES & EXPENSES			(116,899)
104				
105	TOTAL RECEIVERSHIP ADMINISTRATIVE EXPENSE			(157,335)
106				
107	NET RECOVERIES			27,602,839
108				

EMPLOYERS NATIONAL INSURANCE COMPANY EXHIBIT 4
SOURCES AND USES OF CASH

	A	B	C	R
1				Inception
2	R-490		Employers National Insurance Company	to Date
134				
135			CASH RECONCILIATION	
136			Beginning Unencumbered Cash	-
137			Distributions	(27,602,839)
138			Net Increase (Decrease)	27,602,839
139			Ending Unencumbered Cash	-
140				
141			Accounts Payable	-
142			APF Loan	-
143			FY 2012 Reconciliation Adjustments	0
144			Ending Cash Available	-
145				
146			Cash Assets (from Balance Sheet)	-
147			Difference (should <2)	-
148				
149			Explanation of Reconciliation Adjustments	

ASSIGNMENT

This Assignment is made by Jack M. Webb, Special Deputy Receiver of Employers National Insurance Company (the "SDR" and "ENIC", respectively) to Jack M. Webb, Special Deputy Receiver of Employers Casualty Company (the "ECC SDR")

Whereas ENIC were placed into permanent receivership on February 10, 2010, and Jack M. Webb., was appointed as Special Deputy Receiver;

Whereas, the SDR does not believe it is in the best interests of the receivership estate of ENIC to continue the proceeding to attempt to collect any potential remaining assets;

Whereas, the Court has approved the SDR's Final Report and Application to Make Final Distribution (the "Final Report"), and pursuant to such order the SDR has distributed of the remaining cash assets of the receivership estate of ENIC;

Whereas, the Court's order approving the Final Report authorized the SDR to convey any and all unknown assets of ENIC to the ECC SDR;

Therefore, for value received, the sufficiency of which is acknowledged, the SDR conveys to the ECC SDR all right, title and interest in any and all assets of ENIC, including but not limited to unknown asserts, whether known or unknown, and any assets that have been written off by ENIC or the SDR. Such right, title and interest shall include any and all claims, potential claims, suits, demands, causes of action, charges or grievances of any kind or character, regardless of the nature or extent, whether arising in tort, contract, by statute or otherwise, and include claims for breach of fiduciary duty, constructive fraud and fraud. It is the intent of the Parties to this Assignment to convey to the ECC SDR all legal and equitable rights held by the receivership estate of ENIC, whether or not specifically identified herein.

This Assignment constitutes the entire agreement of the parties, and the Parties expressly agree that its terms supersede any other agreements or understandings with respect to the subject matter of this Assignment. This Assignment shall not waive, release or otherwise affect any liabilities or obligations of any party to ENIC.

The laws of the State of Texas govern this Assignment, and sole venue and jurisdiction for any action relating to this Assignment shall be in Travis County, Texas.

Jack M. Webb, Special Deputy Receiver of Employers National Insurance Company.

By: Jack M. Webb
Jack M. Webb

Date: February 29, 2012

**SPECIAL DEPUTY RECEIVER'S CERTIFICATION PURSUANT TO TEX. INS. CODE
ANN. §443.017(b)**

AFFIDAVIT OF JACK M. WEBB

State of Texas
County of Harris

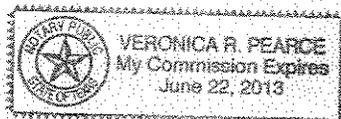
BEFORE ME, the undersigned authority appeared Jack M. Webb, who after being by me
duly sworn, stated the following under oath:

1. My name is Jack M. Webb. I am competent to make this affidavit. The statements of fact set forth herein are true and correct, and are within my personal knowledge.
2. I am the Special Deputy Receiver of Employers National Insurance Company. I certify that the exhibits, books, accounts, records, papers, correspondence, and/or other records and documents attached hereto were produced pursuant to TEX. INS. CODE § 443.017, are either true and correct copies of records of the insurer and were received from the custody of the insurer or found among its effects or were created by and filed with the Receiver's office in connection with the receivership of this delinquent insurer, and are held by the Special Deputy Receiver in his official capacity.
3. I further state that I have read the statements contained in the attached Application and that they are true and correct based on my personal knowledge, my review of estate records and my consultation with my staff and sub-contractors.
4. Further affiant sayeth not.

By: Jack M. Webb
Jack M. Webb

SUBSCRIBED AND SWORN TO BEFORE ME on March 26, 2012, by Jack M. Webb, Special Deputy Receiver of Employers National Insurance Company in receivership.

Veronica Pearce
Notary Public



STATE OF TEXAS	§	IN THE DISTRICT COURT
<i>Plaintiff,</i>	§	
	§	
V.	§	
	§	
EMPLOYERS CASUALTY	§	TRAVIS COUNTY, TEXAS
COMPANY, EMPLOYERS	§	
NATIONAL INSURANCE	§	
COMPANY AND EMPLOYERS	§	
OF TEXAS LLOYDS	§	
<i>Defendants.</i>	§	353rd JUDICIAL DISTRICT

**ORDER APPROVING FINAL ACCOUNTING, TERMINATING
EMPLOYERS NATIONAL INSURANCE COMPANY PROCEEDING
AND DISCHARGING RECEIVER AND SPECIAL DEPUTY RECEIVER**

On the undersigned day, the Court considered the *Final Accounting and Application to Terminate Employers National Insurance Company Proceeding and Discharge Receiver and Special Deputy Receiver* (the “Application”) filed by Jack M. Webb, Special Deputy Receiver of Employers National Insurance Company (the “SDR” and “ENIC”, respectively). After considering the Application, the evidence submitted, and the recommendation of the Special Master appointed in this proceeding (the “Master”), the Court finds as follows:

1. The *Second Amended Order of Reference to Master* (the “Order of Reference”) provides that the Application is referred to the Master;
2. The Application was submitted to the 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 & Casualty Insurance Guaranty Association filed its Acknowledgment and Waiver to the Application.
5. The 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 in interest; and
7. The Application should be GRANTED in all respects.

IT IS THEREFORE ORDERED ADJUDGED AND DECREED as follows:

1. The SDR's Final Accounting is accepted in all respects;
2. The Application is GRANTED in all respects;
3. Eleanor Kitzman, Commissioner of Insurance for the State of Texas, is discharged as Receiver of ENIC, and is released from any further obligations and in connection with the ENIC receivership.
4. Jack M. Webb is discharged as Special Deputy Receiver of ENIC, and is released from any further obligations and from any bonds in connection with the ENIC receivership.
5. The ENIC Receivership proceeding is terminated.
6. The Receiver and the SDR are authorized to take any actions and execute any documents as may be necessary to effectuate this Order.
7. The termination of this proceeding will not affect any immunity available under TEX. INS. CODE § 443.014 (b).
8. This Order is not intended to and shall not create any third party beneficiaries.
9. 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.
10. This Order does not terminate the Employers Casualty Company and Employers of Texas Lloyds receivership proceedings, nor does it discharge the Receiver or the SDR in connection with such receiverships.
11. The style of this proceeding shall henceforth be referred to as *State of Texas v. Employers Casualty Company and Employers of Texas Lloyds*.

12. This Court retains exclusive jurisdiction to enforce the provisions of this Order and the rights and duties of the parties hereunder or any issues relating to this Order.

Signed the _____ day of _____, 2012.

PRESIDING JUDGE