

Cause Number D-1-GV-03-004537

THE STATE OF TEXAS	§	IN THE DISTRICT COURT OF
	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
	§	
HIGHLANDS INSURANCE	§	53RD JUDICIAL DISTRICT
COMPANY	§	

ORDER GRANTING APPLICATION TO SET DEADLINES TO MAKE FINAL NON-GUARANTY ASSOCIATION CLASS TWO CONTINGENT OR UNLIQUIDATED CLAIMS AND TO FILE FINAL CLAIM UPDATES

On this day the Court considered the *Application to Set Deadlines to Make Final Non-Guaranty Association Class Two Contingent or Unliquidated Claims and to File Final Claim Updates* (Application) filed by Prime Tempus, Inc., Special Deputy Receiver of Highlands Insurance Company (Special Deputy Receiver and Highlands, respectively). The Application requests that May 31, 2022 be set as the deadline by which all Class 2 claimants, other than insurance guaranty association claimants, shall be required to liquidate any claim which is, in whole or in part, contingent or unliquidated, and that August 31, 2022 be set as the deadline by which final claim updates must be filed as to such claims. The Application and this Order are limited to contingent or unliquidated claims which fall under TEX. INS. CODE § 443.301(b) (Class 2).

In accordance with the *Supplemental Order of Reference to Master* entered on January 11, 2022 (Order of Reference), the Application was submitted to the Master appointed in this cause. 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:

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1. Notice of the submission of the Application was provided to the parties on the service list and to all other persons requesting notice under TEX. INS. CODE § 443.007(d), as required by the Order of Reference;
2. Based on the pleadings and the evidence submitted, the Special Deputy Receiver's Application is meritorious and should be adopted; and
3. The Application and the relief requested in the Application should be in all things approved.

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

1. It is therefore ORDERED, ADJUDGED and DECREED that the Court grants the Application and all relief sought therein in all respects;
2. the Court admits into evidence the Affidavit of Craig A. Koenig and its exhibits;
3. the Court sets the date of May 31, 2022 as the final date by which all Class 2 claims other than the claims of insurance guaranty associations must be liquidated and made certain, including, without limitation, as to amount claimed;
4. the Court sets the date and time of 11:59 p.m. on August 31, 2022 as the final date and time by which all Class 2 claimants who timely filed proofs of claims which were in whole or in part contingent or unliquidated claims, other than insurance guaranty associations, must file a final update as to each contingent, unliquidated and uncertain claim. This final update shall provide final valuations of all Class 2 claims which are in whole or in part contingent or unliquidated, using valuation methods such as claims estimates, present value calculations, and actuarial projections where possible, and providing detailed documentation in support of each claim asserted.

5. the Court approves use of a Final Update to Proof of Claim Form substantially similar to that form attached as Exhibit "A-1" to the Affidavit of Craig A. Koenig. Each holder of a Class 2 claim which is contingent or unliquidated, in whole or in part, must provide the information and accompanying documentation requested by the Final Update to Proof of Claim Form.
6. the Court approves use of the Final Update to Proof of Claim Form Instructions substantially similar to that form attached as Exhibit "A-2" to the Affidavit of Craig A. Koenig;
7. the Court orders and requires that the claimants must include all requested information and fully document that claim to support the facts, assumptions and claims in the Final Update to Proof of Claim Form;
8. the Court orders that the Special Deputy Receiver may determine that informal updates, past, present or future shall not suffice to satisfy the requirement of filing a completed Final Update to Proof of Claim Form;
9. the Court orders that the failure to file a Final Update to Proof of Claim Form shall constitute a basis for disallowance of the contingent or unliquidated portion of a Class 2 claim;
10. the insurance guaranty associations shall not be included in this update process;
11. this Order shall not modify or create exceptions to the General Claims Bar Date nor the Late Filed Claims Bar Date previously established by the Court, or otherwise create an opportunity to file a new proof of claim. A claimant who has not timely filed a proof of claim, or whose proof of claim has previously been disallowed or classified, is not eligible to file a final update and excuse the failure to previously file by the deadlines; and

12. the Special Deputy Receiver is authorized to provide notice to those parties who filed proofs of claim, and to incur those postage costs, copying and related expenses involved in such notice.

SO ORDERED.

Signed on this 05/17/2022

Original signed by _____
Judge of the District Court

PROPER NOTICE GIVEN.
NO OBJECTION FILED.
SUBMITTED
RECOMMENDED.

SIGNED ON 17th DAY OF May 2022

Original signed by _____
TOM COLLINS, RECEIVERSHIP SPECIAL MASTER

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