

NO. D-1-GN-18-001933

TEXAS DEPARTMENT OF INSURANCE	§	IN THE DISTRICT COURT OF
	§	
VS.	§	TRAVIS COUNTY, TEXAS
	§	
GRAND COURT ORDER OF CALANTHE	§	250TH JUDICIAL DISTRICT

ORDER APPROVING CONVERSION TO A MUTUAL LIFE INSURANCE COMPANY

On this day the Court heard the *Application to Approve Conversion to a Mutual Life Insurance Company* (Application) filed by Resolution Oversight Corporation, Special Deputy Receiver (SDR) of the Grand Court Order of Calanthe (Calanthe).

In accordance with the *Order of Reference to Master* (Order of Reference), the Application was submitted to the Master appointed in this cause. The Master issued a report pursuant to Rule 171 of the Texas Rules of Civil Procedure, which is incorporated herein, finding and recommending as follows:

1. Notice of the Application was given in accordance with Tex. Ins. Code § 443.007 and the Order of Reference. Notice was also provided to counsel for the Calanthe Historical Society, as an advisory committee under Tex. Ins. Code § 443.102. A notice substantially similar to Exhibit 2 to the Application was mailed to the current identifiable Worthy Counsellors of Calanthe at their last known addresses, and a notice substantially similar to Exhibit 3 to the Application was posted on the SDR’s website. A notice substantially similar to Exhibit 4 was mailed to all policyholders of active policies with the reduced paid-up non-forfeiture option. No objection was filed by any party in interest.

2. Pursuant to Tex. Ins. Code § 443.102(a) and the *Agreed Order Appointing Rehabilitator, Permanent Injunction and Notice of Automatic Stay*, the SDR has all of the powers of Calanthe’s directors, officers, representatives, supreme governing body and courts, including the authority to initiate and approve a conversion of Calanthe from a fraternal benefit society (Fraternal) to a mutual life insurance company (Mutual).

3. Tex. Ins. Code § 443.008(a) permits this Court to issue any orders necessary or appropriate to carry out Tex. Ins. Code Chapter 443, the Insurer Receivership Act.

4. The Application is in the best interests of the receivership estate of Calanthe.

Based on the Application, the evidence presented, and the recommendation of the Master, the Court finds that the Application should be granted.

It is therefore ORDERED, ADJUDGED and DECREED that:

1. The notice of the Application complies with Tex. Ins. Code § 443.007.

2. The Affidavit of Ernesto Garza is admitted into evidence.

3. The Application is approved in all respects, and the SDR is authorized to execute any documents necessary to effectuate the purposes of the Application.

4. The SDR is authorized to file an application with the Texas Department of Insurance on behalf of Calanthe to convert it to a Mutual.

5. The policy forms attached as Exhibits 1-A, 1-B, and 1-C to the Application are approved, and replace the existing policy forms upon the conversion of Calanthe to a Mutual.

6. Upon the conversion of Calanthe to a Mutual, Calanthe will become a member of the Texas Life and Health Insurance Guaranty Association.

7. Calanthe is not liable for any benefits forfeited as a result of a failure to file a claim within two years from the date of a policyholder's death, and such forfeited benefits are not "contractual obligations" as defined in Tex. Ins. Code § 463.003.

8. This Order fully resolves all matters presented in the Application, and is a final order for purposes of appeal.

SIGNED this 6th day of April, 2020.

PROPER NOTICE GIVEN.
NO OBJECTION FILED.
SUBMITTED

RECOMMENDED
SIGNED ON 6th DAY OF April 2020

Tom Collins
TOM COLLINS, RECEIVERSHIP SPECIAL MASTER

Tim Sulak
JUDGE PRESIDING
Tim Sulak