

CAUSE NO. D-1-GN-23-008361

THE TEXAS DEPARTMENT OF INSURANCE, <i>Plaintiff,</i>	§ § § §	IN THE DISTRICT COURT OF
v.	§ §	TRAVIS COUNTY, TEXAS
BRIGHT HEALTHCARE INSURANCE COMPANY OF TEXAS <i>Defendant.</i>	§ § §	455th JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER’S
APPLICATION FOR APPROVAL OF CLAIM FILING DEADLINE,
NOTICE TO CREDITORS, AND PROCEDURES FOR PROCESSING CLAIMS**

TO THE HONORABLE JUDGE OF SAID COURT:

CANTILO & BENNETT, L.L.P., the Special Deputy Receiver (“SDR”) of Bright Healthcare Insurance Company of Texas (“BHICOT”), files this *Application for Approval of Claim Filing Deadline, Notice to Creditors, and Procedures for Processing Claims* (the “Application”).

I. INTRODUCTION

1.1 This Application is filed pursuant to TEX. INS. CODE (the “Code”) § 443.155. The SDR asks the Court to set the deadline for creditors to file claims nine (9) months after the order granting this Application is entered. In addition, the SDR requests this Court approve how the SDR will provide notice of BHICOT’s liquidation and claims filing deadline to potential creditors. The SDR submits for approval the proposed Proof of Claim (“POC”) form and instructions that creditors will use to file their claims with the SDR. Finally, the SDR asks the Court to approve how the SDR will receive and process POCs.

II. BACKGROUND

2.1 On November 29, 2023, the Court entered an *Agreed Order Appointing Liquidator, Permanent Injunction, and Notice of Automatic Stay* putting BHICOT into liquidation, appointing

the Texas Commissioner of Insurance as the Liquidator of BHICOT. The Liquidator appointed CANTILLO & BENNETT, L.L.P. as the SDR of BHICOT, effective November 29, 2023.

2.2 The SDR is authorized to file this Application pursuant to § 443.155 of the Code, which provides the requirements for notice to creditors and others. Section 443.008(a) of the Code authorizes this Court to issue any order necessary or appropriate to carry out the provisions of the Texas Insurer Receivership Act (“TIRA”). On November 29, 2023, the Court entered its *Order of Reference to Master* (“Order of Reference”), appointing Mr. Tom Collins to act as the Master (the “Master”) in this receivership. This Application was referred to the Master in accordance with Paragraph III of the Order of Reference.

III. JURISDICTION AND STATUTORY AUTHORITY

3.1 Section 443.155 of the Code requires the Liquidator to give notice of the liquidation order as specified unless this Court directs otherwise. The notice must state the deadline for filing the POCs (“claim filing deadline”), the requirements for the POC, and include any other information the Liquidator or this Court deems appropriate. Section 443.154(a) provides that the SDR enjoys all powers of the Liquidator, unless specifically limited by the Liquidator.

3.2 In accordance with § 443.005 of the Code, this Court has exclusive subject matter jurisdiction over this Application.

3.3 Pursuant to § 443.005(g) of the Code, exclusive and mandatory venue for this proceeding is in Travis County, Texas.

IV. RELIEF SOUGHT

4.1 The SDR requests the Court set a nine-month period after the date of entry of the order granting this Application for the filing of POCs.

4.2 The vast majority of BHICOT’s policies were issued as part of the insurance market created by the federal Affordable Care Act. BHICOT’s policies were overwhelmingly issued on a

calendar year basis – providing coverage from January 1 to December 31. All BHICOT’s policies expired before November 29, 2023.

4.3 Pursuant to the Texas Life and Health Insurance Guaranty Association Act,¹ the Texas Life and Health Insurance Guaranty Association (“TLHIGA”) is obligated to pay certain claims covered by policies issued by BHICOT. *See* TEX. INS. CODE § 463.201, et seq. TLHIGA’s obligation to pay such claims is not dependent upon the filing of a POC with the SDR. *See id.* Pursuant to TIRA, TLHIGA is entitled to Class 1 and Class 2 claims against the BHICOT estate for, respectively, the costs it incurs and the claim payments it makes in connection with BHICOT policies. *See* TEX. INS. CODE § 443.301. Given the nature of health insurance, most of the claims under BHICOT plans have already been filed and processed by the filing date of this Application.

A. NOTICE OF LIQUIDATION AND CLAIM FILING DEADLINE

4.4 Section 443.155 of the Code requires the SDR to give notice to potential Claimants of the fact that BHICOT is in liquidation, and of the deadline for filing claims and the requirements for filing a POC. The form of the proposed notice, which includes instructions on how and when to file a POC, is attached as **Exhibit 1**. In addition, the Code requires the SDR to publish a notice of liquidation and the claim filing deadline in a newspaper of general circulation in the county in which BHICOT has its principal place of business, and in any other locations the SDR deems appropriate. The form of the newspaper notice is attached as **Exhibit 2**.

1. Statutory Requirements for Notice of Liquidation

4.5 Section 443.155 of the Code sets out the specific requirements for a notice of liquidation. This section describes the categories of persons who must receive notice, the means for providing notice, and the contents of the notice. Section 443.155 (a) of the Code requires

¹ TEX. INS. CODE § 463.001 et seq.

that, unless this Court directs otherwise, notice shall be given:

- (1) by first class mail or electronic communication . . . to:
 - (A) any guaranty association that is or may become obligated as a result of the liquidation and any national association of guaranty associations;
 - (B) all the insurer's agents, brokers, or producers of record with current appointments or current licenses to represent the insurer and all other agents, brokers, or producers as the liquidator deems appropriate at their last known address; and
 - (C) all persons or entities known or reasonably expected to have claims against the insurer, at their last known address as indicated by the records of the insurer, and all state and federal agencies with an interest in the proceedings; and
- (2) by publication in a newspaper of general circulation in the county in which the insurer has its principal place of business and in any other locations as the liquidator deems appropriate.

2. First Class Mail or Electronic Notice to Identifiable Potential Claimants

4.6 The SDR proposes to give notice of BHICOT's liquidation and claim filing deadline by first class mail or e-mail to potential Claimants listed below:

- First-party and third-party claimants, beneficiaries, and their loss payees and/or their counsel who currently have unresolved claims or lawsuits against BHICOT or claims for unearned premium under BHICOT policies as reflected in BHICOT's business records;
- All BHICOT plan participants having policies that were in force as of January 1, 2022, until November 29, 2023;
- TLHIGA and the National Organization of Life and Health Insurance Guaranty Associations;
- All former independent agents and/or brokers of BHICOT policies;
- All vendors (including service providers), identified in BHICOT's accounts payable files from November 29, 2021 (2 years before liquidation) to present;

- BHICOT's former officers and directors going back to January 1, 2021, its parent company, and affiliated entities;
- All financial institutions which held BHICOT accounts, whose identity is reflected in the estate's books and records;
- All reinsurers;
- Sharon Williams, United States Department of Justice;
- The U.S. Department of Treasury through the Internal Revenue Service;
- Dr. Ellen Montz, Deputy Administrator and Director of the Center for Consumer Information & Insurance Oversight, Centers for Medicare, and Medicaid Services;
- Elizabeth Parish, Director, Payment Policy, and Financial Management Group of the Centers for Medicare & Medicaid Services; and
- To the extent not already described above, all parties, who requested, in writing or by e-mail, an opportunity to file a claim.

4.7 As required by law, the SDR intends to use the names and addresses found in BHICOT's business records to serve the notice, unless a different address has been provided in writing to the SDR. The SDR requests this Court approve the manner of providing notice and the list of recipients as described above. Section 443.155(d) of the Code provides the SDR has no duty to locate a Claimant if an address for the Claimant is not found in the insurer's records, or if mail delivered to the address shown in the insurer's records is returned. In this event, a certification that a notice with postage was deposited in the mail, or electronically transmitted, is prima facie evidence of mailing and receipt. The SDR further requests this Court find that certification of the mailing or e-mailing of the Notice in such manner in compliance with Section 443.155(d) constitutes prima facie evidence of receipt by the recipient to whom the Notice is addressed.

3. Notice by Publication

4.8 Section 443.155(a)(2) requires publication of notice of the liquidation order in a newspaper of general circulation in the county in which the insurer has its principal place of

business, and in any other locations the SDR deems appropriate. BHICOT was licensed to sell insurance only in Texas and operated from offices in Minneapolis, Minnesota. The SDR proposes to publish notice of the liquidation, the claim filing deadline, and procedures at least once in newspapers of general circulation in Minneapolis, Houston, Dallas, San Antonio, Austin, El Paso, Lubbock, and Brownsville. The proposed form of publication notice is attached as **Exhibit 2**. The proposed form of publication notice conforms to the requirements of the Code. *See* TEX. INS. CODE §443.155(b). The SDR requests that this Court enter an order approving notice in a form substantially similar to **Exhibit 2** and authorizing the SDR to notice Claimants in this manner.

4.9 Section 443.155(d) of the Code provides if mail is returned because of an inability to deliver it to the address shown in the insurer's records, notice of publication as required by Section 443.155(a)(2) is sufficient notice. The SDR requests the Court enter an order deeming that notice by publication to unknown Claimants and to parties with changed addresses is sufficient to comply with the notice provisions of the TIRA.

4. Internet Notice

4.10 The SDR will post all notices, claim filing information, POC forms and other relevant information on its web site at www.brighthealthcaretxsdr.com. The SDR will also ask the TLHIGA to post the POC filing information on its web site.

5. Proof of Claim Form

4.11 Section 443.252 of the Code specifies certain information to be included by claimants in any POC filed with the SDR and allows the SDR to specify additional information to be submitted. The SDR is also authorized to require that a prescribed POC form be used. The SDR's proposed POC form is attached as **Exhibit 3**. The SDR requests the Court approve the form and authorize the SDR to use that form or a form that is substantially similar.

B. CLAIM PROCESSING

1. Claim Filing Deadline

4.12 Section 443.251 of the Code provides the claim filing deadline may not be later than 18 months after entry of the liquidation order, unless extended by this Court. The SDR requests this Court set the claim filing deadline to be nine (9) months after the date of entry of the order granting this Application. The SDR further asks the Court to require all POCs be postmarked or actually received at the SDR's designated address on or before 11:59 p.m. Central Time on that date. If the deadline falls on a weekend day or federal holiday, the SDR requests that the Court order all POCs be postmarked or actually received at the address designated by the SDR on or before 11:59 p.m. Central Time on the next business day to be considered timely. If the SDR receives a POC that may be paid by TLHIGA, the SDR will send that POC to TLHIGA. The SDR will process any part of those POCs to the extent the claims are not paid by TLHIGA.

2. Guaranty Association

4.13 TLHIGA will pay claims on BHICOT policies and will have a claim against the receivership estate for certain expenses and claim payments. Section 443.252(d) of the Code provides TLHIGA may submit a single POC combining all claims and related administrative expenses. The SDR proposes TLHIGA be authorized to submit a single POC combining all claims and related administrative expenses, and to supplement the POC as needed.

3. Processing Claims

4.14 The SDR will process POCs under the provisions of the TIRA. Section 443.301(a) of the Code requires the SDR pay each class of creditors in full or retain adequate funds for such payment before paying any other class of creditors.

4. Processing Class 1, Class 2, and Class 3 Claims

4.15 The SDR proposes to adjudicate all POCs asserting claims with a priority of Class 1, Class 2, and Class 3 under § 443.301 (a), (b), and (c) of the Code in the manner specified in § 443.253 of the Code.

5. Class 4 and Lower Priority Class Claims

4.16 At this time, the SDR estimates that the estate will be able to pay all Class 1 and Class 2 claims in full and make a partial distribution to Class 3 claims. It would be a waste of money to fully process POCs for Claimants who, ultimately, will not receive a payment. Therefore, to preserve the estate's assets, the SDR requests the SDR not be required to adjudicate the merits of POCs asserting claims with a priority of Class 4 or lower at this time. Section 443.253(k) of the Code provides that:

[t]he liquidator is not required to process claims for any class until it appears reasonably likely that property will be available for a distribution to that class. If there are insufficient assets to justify processing all claims for any class listed in § 443.301, the liquidator shall report the facts to the receivership court and make such recommendations as may be appropriate for handling the remainder of the claims.

Until the SDR reasonably believes there may be sufficient assets to pay all Class 3 claims in full, the SDR will classify all POCs asserting claims with a priority of Class 4 or lower, notify the Claimant of the classification, and take no further action. Such notification will be a final adjudication of the classification of the POC subject to the Claimant's right to object to the classification. If the SDR later determines that sufficient assets exist to justify further processing POCs with a priority lower than Class 3, the SDR will adjudicate the merits of the POC and notify the Claimant of the SDR's determination.

6. Late Claims

4.17 The SDR expects some POCs might be filed after the POC filing deadline. If a Claimant demonstrates grounds exist to treat a late filed POC as timely filed under § 443.251(b) of the Code, and the SDR determines that the payment of the POC will not prejudice the orderly administration of the liquidation, the POC may be accepted as a timely filed claim. The SDR will require an affidavit and other evidence to prove the facts specified by § 443.251(b) of the Code. If a POC is filed after the deadline and does not meet the requirements of § 443.251(b) of the Code, the POC shall be classified as a Class 8 claim. The SDR shall not process Class 8 unless it appears that there is enough money to pay all Class 1 through Class 7 claims.

7. Waiver and Release of Claims against BHICOT Insureds

4.18 Section 443.256(h) of the Code provides if someone has a claim against an BHICOT insured and files a POC with the SDR, that Claimant waives and releases any right to pursue the personal assets of the BHICOT insured. The Code requires the POC form include a statement informing the Claimant of the waiver and release. The SDR's proposed POC form (**Exhibit 3**) complies with the requirements in § 443.256(h)(4) of the Code.

8. Determination of Claims

4.19 If a Claimant objects to the SDR's determination of a POC and the SDR does not alter the determination, Section 443.257 of the Code provides the SDR shall request a hearing before this Court. In accordance with the Order of Reference to Master, the objection may be heard by the Master. Some information provided by a Claimant with a POC may include sensitive data as defined by Rule 21c of the Texas Rules of Civil Procedure, or other information protected by privacy laws. If the SDR determines documents containing such information must be filed in connection with a disputed POC determination, the SDR shall either redact such information from

the documents or submit the documents to the Master or this Court under seal for in camera inspection in accordance with § 443.007(c) of the Code. The procedures in this section for sealing documents differ from the requirements of Rule 76a of the Texas Rules of Civil Procedure. Since § 443.002 of the Code mandates, TIRA prevails in the event of a conflict with any other law, the process of sealing documents filed in this proceeding shall be conducted under § 443.007(c). The SDR moves the Court approve these procedures.

4.20 Section 443.258 of the Code provides that the Liquidator shall present to this Court for approval reports of POCs that have been settled or determined. A report must include information identifying the POC, the POC's amount, and the POC's priority class. As the Code requires no other information in this report, the SDR may determine whether any additional information regarding an individual, such as a name and addresses, will be included in the report.

V. NOTICE

5.1 The SDR served this Application by e-mail to everyone listed on the attached Certificate of Service. Certain state and federal agencies were served by mail or overnight delivery.

VI. OFFER OF PROOF AND VERIFICATION

6.1 This Application is verified by the affidavit and certification of Michael Marcin, designated representative of CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of BHICOT, pursuant to § 443.017(b) of the Code.

VII. NOTICE OF ELECTRONIC SERVICE REQUIREMENT

7.1 Any party who responds to this Application must file their response with the Court and send it by e-mail to the SDR's attorney and all parties shown in the attached Certificate of Service.

PRAYER

WHEREFORE, PREMISES CONSIDERED, CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Bright Healthcare Insurance Company of Texas, prays that this Court:

1. Grant this Application in all respects;
2. Approve the notices and POC form as described in this Application, and find they comply with the requirements of § 443.155 of the Code and due process;
3. Order that the POC filing deadline is nine (9) months after the date of entry of the order granting this Application;
4. Order that if any deadline set forth in this Order falls on a weekend day or federal holiday, all POCs must be postmarked or actually received at the address designated by the SDR on or before 11:59 p.m. Central Time on the next business day in order to be considered timely.
5. Approve the SDR's proposed claim processing procedures;
6. Authorize the SDR to enter into such contracts and agreements as may be necessary or expedient to carry out the actions approved;
7. Order that Claimants who file a POC with the SDR shall be deemed to have released and waived any claim against the personal assets of Bright insureds under § 443.256(h) of the Code;
8. Order that, if the SDR files a disputed claims proceeding under § 443.257 of the Code and the SDR determines that documents including sensitive data as defined in Rule 21c of the Texas Rules of Civil Procedure must be filed in connection with a disputed POC, the SDR shall either redact such information from the documents, or submit the documents to the Special Master or this Court under seal for in camera inspection in accordance with § 443.007(c) of the Code; and
9. Grant the SDR such other and further relief to which it may be justly entitled.

Respectfully submitted,

/s/ Greg Pierce
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P.O. Box 40
Austin, Texas 78767
Tel: (512) 474-2154
gpierce@gpiercelaw.com

-and-

Christopher Fuller
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Austin, Texas 78731
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cfuller@fullerlaw.org

**Attorneys for CANTILO & BENNETT, LLP,
Special Deputy Receiver of
Bright Healthcare Insurance Company of Texas**

APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the Agreed Order of Reference to Master entered by the District Court in this cause, the *Application for Approval of Claim Filing Deadline, Notice to Creditors, and Procedures for Processing Claims* is hereby set for written submission before the Master, Tom Collins, on **April 29, 2024**.

The Master has asked that the following rules be provided to 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 e-mail by such date on:
 - (a) The Special Master's Docket Clerk, at specialmasterclerk@tdi.texas.gov;
 - (b) The undersigned counsel, Greg Pierce at gpierce@gpiercelaw.com; and
 - (c) All interested parties, including those listed on the SDR's Certificate of Service.
3. The objecting party shall coordinate with the SDR's counsel and the Docket Clerk [(512) 676-6915] 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. **Please note that if an objection is not filed as described in the Notice of Submission, the Master may consider the Application without a hearing.**
6. **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.**
7. Any Acknowledgment of Notice and Waiver to be filed by the Guaranty Association or other interested party should be filed at least three (3) calendar days before the submission or hearing date.

/s/ Greg Pierce
Gregory A. Pierce

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the *Application for Approval of Claim Filing Deadline, Notice to Creditors, and Procedures for Processing Claims* was sent in accordance with TEX. INS. CODE § 443.007(d) on April 15, 2024 to:

Via Email: specialmasterclerk@tdi.texas.gov

Tom Collins, Receivership Master
c/o Special Master's Clerk
RLO MC-FRD
PO Box 12030
Austin, TX 78711-2030

Via Email: Edwin.Hartsfield@tdi.texas.gov

Edwin Hartsfield
TEXAS DEPARTMENT OF INSURANCE
RLO MC-FRD
PO Box 12030
Austin, TX 78711-2030

Via Email: John.Walker@tdi.texas.gov

John Walker
TEXAS DEPARTMENT OF INSURANCE
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Via Email: Vane.Hugo@tdi.texas.gov

Vane Hugo
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Via Email: Sandra.Salazar@tdi.texas.gov

Sandra Salazar
General Counsel Division
Office of Financial Counsel
TEXAS DEPARTMENT OF INSURANCE
PO Box 12030
Austin, TX 78711-2030

Via e-Service: Shawn.Martin@tdi.texas.gov

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General Counsel Division
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PO Box 12030
Austin, TX 78711-2030

Via e-Service: Zachary.Rhines@oag.texas.gov

Zachary L. Rhines
Assistant Attorney General
General Litigation Division
OFFICE OF THE TEXAS ATTORNEY GENERAL
P.O. Box 12548, Mail Stop 01901
Austin, Texas 78711-2548
Counsel for Texas Department of Insurance

Via e-Service: jrixen@rixenlaw.com

Jacqueline Rixen
RIXENLAW
8500 North Mopac Expy, Suite 605
Austin, Texas 78759
*Counsel for the Texas Life and Health
Insurance Guaranty Association*

Via e-Service: sstrickland@mwlaw.com

Stanton Strickland
MITCHELL, WILLIAMS, SELIG, GATES &
WOODYARD, P.L.L.C.
500 W. 5th Street, Ste. 1150
Austin, Texas 78701
*Counsel for Bright Healthcare Insurance
Company of Texas*

Via First Class Mail

INTERNAL REVENUE SERVICE
Special Procedures Branch
300 East 8th Street, Suite 352
Mail Stop 5026AUS
Austin, Texas 78701

Via Email:: Milan.Shah@cms.hhs.gov

Via Email: Kelly.Drury@cms.hhs.gov

Milan Shah

Kelly Drury

Centers for Medicare & Medicaid Services

Center for Consumer Information and

Insurance Oversight

7501 Wisconsin Ave

Bethesda, MD 21814

Via Email: ASimon@fmdlegal.com

Via Email: Bgould@fmdlegal.com

Adrienne J. Simon

Blake Gould

Fultz Maddox Dickens PLC

101 South Fifth Street, 27th Floor

Louisville, KY 40202

Counsel for THC Houston, LLC d/b/a Kindred

Hospital Houston Northwest

/s/ Greg Pierce

Gregory A. Pierce

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

AFFIDAVIT OF MICHAEL P. MARCIN

State of Texas

County of Travis

BEFORE ME, the undersigned authority appeared Michael P. Marcin, who after being by me duly sworn, stated the following under oath:

1. "My name is Michael P. Marcin. I am of sound mind, capable of making this affidavit, and am competent to testify to the matters contained in this affidavit.
2. I am a partner in CANTILLO & BENNETT, L.L.P., the Special Deputy Receiver of Bright Health Insurance Company of Texas, Inc. (the "SDR" and "BHICOT" respectively). I am duly authorized to make this Affidavit on behalf of the SDR.
3. I have reviewed the *Application for Approval of Claim Filing Deadline, Notice to Creditors, and Procedures for Processing Claims* and the facts stated therein are true and correct based on my personal knowledge, my review of estate records and my consultation with the staff and subcontractors.
4. 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 BHICOT and were received from the custody of BHICOT or found among its effects, or were created by and filed with the Receiver's office in connection with the receivership of this delinquent company, and are held by the Special Deputy Receiver in its official capacity."

By: _____

Michael P. Marcin

SUBSCRIBED AND SWORN TO BEFORE ME on April 15, 2024, by Michael P. Marcin, Special Deputy Receiver of Bright Health Insurance Company of Texas, Inc.

Notary Public

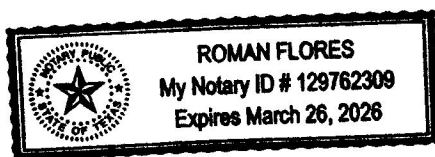


EXHIBIT 1

Claim Filing Deadline:
11:59 p.m. Central Daylight Time
_____, 2025

NOTICE OF LIQUIDATION AND
DEADLINE TO FILE PROOF OF CLAIM

Bright Healthcare Insurance Company of Texas (“Bright-Texas”) was placed in liquidation by order of the 455th Travis County District Court (the “Receivership Court”). CANTILO & BENNETT, L.L.P., the Special Deputy Receiver of Bright-Texas (“SDR”), is handling the liquidation of Bright-Texas. Certain acts against Bright-Texas are stayed under Section 443.008 of the Texas Insurance Code. This notice explains how to file a Proof of Claim (“POC”) against Bright-Texas.

Claims must be filed on a POC Form. This notice includes a POC form. The information requested on this form is required by law and includes information for the SDR to process a claim.

Bright-Texas Members (a/k/a Policyholders)/Healthcare Providers: If your claim for medical services under a Bright-Texas policy has already been paid, you **do not** need to file a POC. The Texas Life and Health Insurance Guaranty Association (the “Guaranty Association”) paid claims since Bright-Texas was put in liquidation. If you have unpaid medical bills under a Bright-Texas policy, you should submit those as you have in the past. The Guaranty Association covers Bright-Texas insurance policy benefits up to \$500,000 per insured member.

Policyholders **should** file a POC if you are owed premiums that were paid or collected after your policy terminated, if you have been or are sued for personal liability on unpaid health insurance claims, and for any other type of claim not covered by the Guaranty Association.

Healthcare Providers with IDR Claims: Providers with claims against Bright-Texas that are subject to the Texas or federal Independent Dispute Resolution (“IDR”) process should file a POC for each IDR claim, regardless of whether the dispute has been or could have been submitted on the Texas Department of Insurance IDR portal, the federal CMS IDR portal, or to Bright-Texas.

Vendors and all other Claimants: You should file a POC if you have an unpaid claim against Bright-Texas for goods or services provided to Bright-Texas *before* November 29, 2023.

Instructions for Completing the POC: All applicable blanks on the POC form must be completed, and the form must be signed before a notary and notarized. You must provide sufficient information in your POC, including: (1) the particulars of the claim, (2) identification of any consideration given for it, (3) identification of any security on the claim, (4) payments, if any, made on the debt, (5) a statement that the claim is justly owing, (6) a statement that no setoff, counterclaim, or defense to the claim exists, and (7) any assertion of a right to priority of payment or other specific rights you allege, and include any documents supporting your claim. A separate POC must be submitted for each person or each claim. If the POC form is submitted on behalf of another person, you must provide evidence that you are authorized to file the POC on behalf of that person. A POC form may be copied.

Filing Deadline for POCs: The Receivership Court established a deadline and procedure for filing claims against Bright-Texas. To file a POC, you must complete and return the POC form as described below. The POC form must be postmarked or actually received by the SDR **no later than 11:59 p.m. Central Daylight Time on [nine (9) months after the date of entry]**.

You may send your POC to the SDR by U.S Mail, courier (delivery service), or hand delivery. If you mail your POC, it does not need to be sent by registered or certified mail, unless you want proof of receipt. You should keep a copy of your POC and any proof that it was mailed or delivered.

You cannot send a POC by e-mail or fax. Any POC received by e-mail or fax will not be accepted.

The POC must be addressed to the SDR to one of the addresses below:

BY MAIL:

CANTILO & BENNETT, L.L.P.
Special Deputy Receiver
Bright Healthcare Insurance Company of Texas
P.O. Box 184
Austin, Texas 78767
ATTENTION: CLAIMS

BY COURIER OR HAND DELIVERY:

CANTILO & BENNETT, L.L.P.
Special Deputy Receiver
Bright Healthcare Insurance Company of Texas
11401 Century Oaks Terrace, Suite 300
Austin, Texas 78758
ATTENTION: CLAIMS

What happens after you file your POC: The SDR will review your POC to determine if you have a valid claim against Bright-Texas. If the Guaranty Association may pay your claim, your POC will be sent to the Guaranty Association. If the SDR finds that you have a valid claim against Bright-Texas that is not payable by the Guaranty Association, you will be notified.

Approved claims are paid according to their priority class. The SDR will notify you when it determines the priority class of your POC and, if applicable, the amount awarded. A distribution on claims in a class can be made if there are funds available for that class. The SDR does not know whether there will be funds to pay claims or when a distribution might be made. You will be notified if your POC is approved and funds are available to pay your claim.

It is important that you inform the SDR of any change to your address. If the SDR does not have your current address, you might not receive future notices or payments.

Additional information about the Bright-Texas receivership is available on the SDR's website, www.brighthousecaretxsdr.com. The website will be updated periodically.

EXHIBIT 2

**BRIGHT HEALTHCARE INSURANCE COMPANY OF TEXAS
NOTICE OF LIQUIDATION AND CLAIMS FILING DEADLINE**

The 455th District Court of Travis County, Texas ordered the liquidation of Bright Healthcare Insurance Company of Texas (“Bright-Texas”). Certain acts against Bright-Texas are stayed under Section 443.008 of the Texas Insurance Code. You can obtain information about Bright-Texas’ liquidation and the claim filing process at www.brighthealthcaretxsdr.com. To request a Proof of Claim form call (toll free) (888) 630-2742, e-mail info@BrightHealthcareTXSDR.com, or write CANTILO & BENNETT, L.L.P., P.O. Box 184, Austin, Texas 78767 ATTENTION: CLAIMS. The court set a deadline of _____, 2025 to file a Proof of Claim.

Claims must be filed on an approved Proof of Claim form and be postmarked or actually received on or before 11:59 p.m. Central Time, _____, 2025.

EXHIBIT 3

To Be Completed by SDR
POC # _____
Claim # _____
Date Received _____

Filing Deadline: _____, 2025 11:59 p.m. Central Time
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**BRIGHT HEALTHCARE INSURANCE COMPANY OF TEXAS
PROOF OF CLAIM**

Return this completed Proof of Claim form and any supporting documents. A Proof of Claim must be **postmarked or actually received** by Cantilo & Bennett, L.L.P., Special Deputy Receiver for Bright Healthcare Insurance Company of Texas no later than _____, **2025 11:59 p.m. Central Time** at one of the addresses shown below.

BY MAIL:
CANTILO & BENNETT, L.L.P.
Special Deputy Receiver
Bright Healthcare Insurance Company of Texas
P.O. Box 184
Austin, Texas 78767
ATTENTION: CLAIMS

BY COURIER OR HAND DELIVERY:
CANTILO & BENNETT, L.L.P.
Special Deputy Receiver
Bright Healthcare Insurance Company of Texas
11401 Century Oaks Terrace, Suite 300
Austin, Texas 78758
ATTENTION: CLAIMS

Please read the Proof of Claim instructions carefully before completing this Proof of Claim. Please print or type.

Name of Claimant _____	\$ _____ Total Amount of Claim
Street Address _____	Social Security or Tax ID No. _____
City _____ State _____ Zip _____	Telephone Number _____
E-mail Address _____	Facsimile Number _____

If the claimant is represented by an attorney, please complete the following section, and attach a copy of the Power of Attorney:

Name of Attorney _____	State Bar No. _____
Name of Law Firm _____	Tax ID Number _____
Street Address _____	Telephone Number _____
City _____ State _____ Zip _____	Facsimile Number _____

E-mail Address _____
Bright Healthcare Insurance Company of Texas Proof of Claim



Provide an explanation of your claim below. The explanation should include: (1) the particulars of the claim, (2) identification of any consideration given for it, (3) identification of any security on the claim, (4) payments, if any, made on the debt, (5) a statement that the claim is justly owing, (6) a statement that no setoff, counterclaim, or defense to the claim exists, and (7) any assertion of a right to priority of payment or other specific rights you allege. Attach additional pages if necessary.

NOTE: ATTACH DOCUMENTATION TO SUPPORT YOUR CLAIM

AFFIRMATION OF CLAIMANT

Texas law requires the following statement in a Proof of Claim

Unless noted herein: _____ [Insert name of the claimant] _____ is alone entitled to file this claim. No payments have been made on the claim other than those described. The sum claimed is justly owing, and there is no set-off, counterclaim, or other defense to this claim. I declare that all the statements made in this Proof of Claim and all documents attached to this form are true, complete, and correct, and that I am either the claimant or a person authorized to make these assertions binding on behalf of the claimant. I understand that filing this claim waives any right to pursue the personal assets of any insured of Bright Healthcare Insurance Company of Texas who may also be liable for the claim, to the extent of the coverage and limits provided by the policy issued by Bright Healthcare Insurance Company of Texas

Signature

Print Name

Relationship to Claimant

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, who has executed this instrument on such individual's own behalf, who is personally known to me or who has produced a Driver License or other information as identification.

Notary Public

(NOTARY SEAL)

Printed Name

My Commission Expires: _____

THE TEXAS DEPARTMENT OF INSURANCE, <i>Plaintiff,</i>	§ § § §	IN THE DISTRICT COURT OF
v.	§ §	TRAVIS COUNTY, TEXAS
BRIGHT HEALTHCARE INSURANCE COMPANY OF TEXAS <i>Defendant.</i>	§ § §	455th JUDICIAL DISTRICT

ORDER GRANTING SPECIAL DEPUTY RECEIVER'S APPLICATION FOR APPROVAL OF CLAIM FILING DEADLINE, NOTICE TO CREDITORS, AND PROCEDURES FOR PROCESSING CLAIMS

On this date, the Court heard the *Special Deputy Receiver's Application for Approval of Claim Filing Deadline, Notice to Creditors, and Procedures for Processing Claims* (collectively, the "Application") filed by CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Bright Healthcare Insurance Company of Texas (the "SDR" and "BHICOT" respectively). The SDR appeared by and through its counsel. The Application was submitted to the Master appointed in this cause ("Master") in accordance with the *Order of Reference to Master* ("*Order of Reference*"). The Master issued a recommendation under Rule 171 of the Texas Rules of Civil Procedure, which is incorporated herein.

Having considered the Application and the recommendation, the Court finds as follows:

1. The *Order of Reference* provides that motions filed pursuant to TEX. INS. CODE § 443.155 are referred to the Master;
2. Notice of the Application was provided in accordance with TEX. INS. CODE § 443.007 (d) and the *Order of Reference*;
3. No objections to the Application were filed;

4. The Texas Life and Health Insurance Guaranty Association filed its acknowledgement and waiver;
5. The Court has jurisdiction over the Application and the parties affected hereunder;
and
6. The SDR's Application should be granted as set forth below.

All capitalized terms used in this Order shall have the same meaning as used in the Application.

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

1. The Application is GRANTED in all respects;
2. The notices and forms, attached as Exhibits 1-3 to the Application, are APPROVED;
3. The Court finds that the provisions of the Application and its exhibits comply with the requirements of § 443.155 of the Texas Insurance Code and due process;
4. The Proof of Claim ("POC") filing deadline is nine (9) months from the date this Order is entered;
5. If any deadline set forth in this Order falls on a weekend day or federal holiday, all POCs must be postmarked or actually received at the address designated by the SDR on or before 11:59 p.m. Central Daylight Time on the next business day in order to be considered timely;
6. The SDR's proposed claim processing procedures are APPROVED;
7. The SDR is authorized to enter into such contracts and agreements as may be necessary or expedient to carry out the actions approved by this Order;
8. Claimants who file a POC with the SDR shall have waived any right they might have to pursue the personal assets of the BHICOT insured with respect to the

claim, to the extent of the coverage or policy limits provided by BHICOT, under § 443.256(h) of the Texas Insurance Code;

9. If the SDR files a disputed claims proceeding under § 443.257 of the Code and the SDR determines that documents including sensitive data as defined in Rule 21c of the Texas Rules of Civil Procedure must be filed in connection with a disputed POC, the SDR shall either redact such information from the documents, or submit the documents to the Master or this Court under seal for in camera inspection in accordance with § 443.007(c) of the Code; and
10. This Order constitutes a final Order fully resolving all issues relating to the Application.

Signed on _____, 2024.

JUDGE PRESIDING

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Greg Pierce on behalf of Greg Pierce

Bar No. 15994250

gpierce@gpiercelaw.com

Envelope ID: 86661780

Filing Code Description: Motion (No Fee)

Filing Description: SPECIAL DEPUTY RECEIVER'S APPLICATION FOR APPROVAL OF CLAIM FILING DEADLINE, NOTICE TO CREDITORS, AND PROCEDURES FOR PROCESSING CLAIMS

Status as of 4/15/2024 3:43 PM CST

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
Christopher G. Fuller	7515500	cfuller@fullerlaw.org	4/15/2024 1:27:06 PM	SENT
Gregory Alan Pierce	15994250	gpierce@gpiercelaw.com	4/15/2024 1:27:06 PM	SENT
Patricia Muniz		pmuniz@inquestresources.com	4/15/2024 1:27:06 PM	SENT
Brian Falligant		bfalligant@inquestresources.com	4/15/2024 1:27:06 PM	SENT
Jacqueline Rixen	16962550	jrixen@rixenlaw.com	4/15/2024 1:27:06 PM	SENT

Associated Case Party: BRIGHT HEALTHCARE INSURANCE COMPANY OF TEXAS

Name	BarNumber	Email	TimestampSubmitted	Status
Stanton K. Strickland	786392	sstrickland@mwlaw.com	4/15/2024 1:27:06 PM	SENT

Associated Case Party: TEXAS DEPARTMENT OF INSURANCE

Name	BarNumber	Email	TimestampSubmitted	Status
Zachary Rhines	24116957	zachary.rhines@oag.texas.gov	4/15/2024 1:27:06 PM	SENT
Special Master Clerk		specialmasterclerk@tdi.texas.gov	4/15/2024 1:27:06 PM	SENT