

CAUSE NO. D-1-GN-23-001549

THE TEXAS DEPARTMENT OF  
INSURANCE,

PLAINTIFF,

v.

FRIDAY HEALTH INSURANCE  
COMPANY, INC.,

DEFENDANT.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

345th JUDICIAL DISTRICT

**JOINT STIPULATION AND ORDER REGARDING AXA FRANCE VIE'S REQUEST  
TO STAY SPECIAL DEPUTY RECEIVER'S APPLICATION TO APPROVE  
COMMUTATION AGREEMENT WITH ODYSSEY REINSURANCE COMPANY, OR  
ALTERNATIVELY, AXA FRANCE VIE'S OBJECTION TO APPLICATION TO  
APPROVE COMMUTATION AGREEMENT**

WHEREAS, effective January 1, 2021, Friday Health Insurance Company, Inc. ("FHIC") entered into a Quota Share Reinsurance Agreement (the "Quota Share Agreement") with AXA France Vie ("AFV");

WHEREAS, effective January 1, 2022, FHIC and AFV entered into Amendment No. 1 to Quota Share Reinsurance Agreement (the "Amended Quota Share Agreement," and, together with the Quota Share Agreement, the "Quota Share Agreements");

WHEREAS, on January 1, 2021, FHIC entered into an excess of loss reinsurance agreement ("2021 XOL Agreement") with Odyssey Reinsurance Company ("Odyssey Re").

WHEREAS, on January 1, 2022, FHIC states that it entered into an excess of loss reinsurance agreement ("2022 XOL Agreement" and, together with the 2021 XOL Agreement, the "XOL Agreements") with Odyssey Re.

WHEREAS, on March 21, 2023, a delinquency proceeding under Chapter 443 of the Texas Insurance Code was commenced against FHIC. On March 23, 2023, the 345<sup>th</sup> District Court of

Travis County, Texas entered the *Agreed Order Appointing Liquidator, Permanent Injunction, and Notice of Automatic Stay* (the “Agreed Order”). The Agreed Order appointed the Texas Commissioner of Insurance as Liquidator of FHIC. On that same date, the Texas Commissioner of Insurance appointed CANTILO & BENNETT, L.L.P. as Special Deputy Receiver of FHIC (the “SDR”).

WHEREAS, there are disputes between FHIC and the SDR, on the one hand, and AFV, on the other hand, regarding the Quota Share Agreements, as well as the XOL Agreements.

WHEREAS, on April 14, 2025, the SDR filed an Application to Approve Commutation Agreement between FHIC and Odyssey Re (the “Odyssey Re Commutation Application”). Under the Commutation Agreement, Odyssey Re agrees to pay to FHIC \$11,578,525 (“Commutation Amount”).

WHEREAS, on April 24, 2025, AFV filed a request to stay the Odyssey Re Commutation Application or, alternatively, an objection to the Odyssey Re Commutation Application (“Objection”). AFV’s Objection also requested data supporting the Commutation Amount.

WHEREAS, on April 30 and May 2, 2025, counsel for AFV and for the SDR met and conferred to discuss AFV’s Objection.

WHEREAS, the Parties agree and stipulate that the Commutation Agreement between the SDR and Odyssey Re, including the Commutation Amount to be paid by Odyssey Re under the Commutation Agreement, will not have any impact on AFV’s rights under the Quota Share Agreements or the XOL Agreements. AFV will receive credit (or reduction in liability) pursuant to the terms of the applicable Quota Share Agreements and XOL Agreements regardless of what amount is paid by Odyssey Re pursuant to the Commutation. For example, if a greater amount was due from Odyssey Re than the Commutation Amount, AFV would receive the credit (or

reduction in liability) for the greater amount owed by Odyssey Re, not the reduced amount paid by Odyssey Re under the Commutation Agreement

NOW, THEREFORE IT IS HEREBY STIPULATED AND AGREED by the undersigned Parties, as follows:

1. Notwithstanding any difference between the amount paid by Odyssey Re and FHIC pursuant to the Commutation Agreement and the amount that would be owed as calculated under the applicable Quota Share Agreements and the XOL Agreements, AFV is entitled to receive credit (or reduction in liability claimed by FHIC and/or the SDR) for the calculated amount due from Odyssey Re to FHIC as calculated under the applicable Quota Share Agreements and the XOL Agreements.
2. AFV withdraws its objection to the Special Deputy Receiver's Application to Approve Commutation Agreement (Odyssey Reinsurance Company) and agrees not to appeal or seek a writ of mandamus of the Receivership Court's order granting the Odyssey Re Commutation Application.
3. AFV expressly reserves all rights, arguments, and remedies, including its contention that the Quota Share Agreement was terminated no later than January 1, 2022 and the 2022 XOL Agreement is not binding on AFV and that AFV's rights and obligations shall be evaluated as if the 2021 XOL Agreement had not been replaced in 2022; the SDR and AFV reserve all rights to compel arbitration of claims against FHIC (and any claims that the SDR may seek to assert against AFV).
4. This Stipulation may be executed in counterparts and as such shall have the same force and effect as the original signatures.

Dated: June 16, 2025

By: /s/ Robert S. Harrell

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**Attorney for Cantilo & Bennett, L.L.P.,  
Special Deputy Receiver of Friday  
Health Insurance Company, Inc.**

**SO ORDERED**

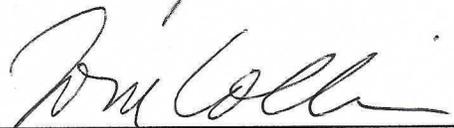
Dated: 25th day of June, 2025

  
JUDGE PRESIDING

Submitted

Recommended

Dated: 20<sup>th</sup> day of June, 2025

  
TOM COLLINS, RECEIVERSHIP SPECIAL MASTER