

D-1-GN-25-007344

Cause No. _____

THE TEXAS DEPARTMENT OF INSURANCE,	§	IN THE DISTRICT COURT OF
Plaintiff	§	§
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
NEW CENTURY INSURANCE COMPANY	§	126TH, DISTRICT COURT
Defendant	§	_____ JUDICIAL DISTRICT

**PLAINTIFF'S ORIGINAL PETITION,
APPLICATION FOR ORDER APPOINTING LIQUIDATOR
AND REQUEST FOR INJUNCTIVE RELIEF**

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES the Texas Department of Insurance ("Plaintiff"), by and through the Office of the Attorney General of Texas, at the request of the Commissioner of Insurance for the State of Texas ("Commissioner"), complaining of New Century Insurance Company ("Defendant"), and would respectfully show the Court the following:

I. DISCOVERY LEVEL

1.1 Plaintiff intends to conduct discovery under Level 2 of the TRCP Rule 190.

II. NATURE OF SUIT

2.1 This suit is brought at the request of the Commissioner pursuant to TEX. INS. CODE Chapter 443, the Insurer Receivership Act. Unless otherwise indicated, all statutory references are to the Insurer Receivership Act.

2.2 Plaintiff seeks to obtain an order designating the Commissioner as Liquidator of Defendant under TEX. INS. CODE § 443.151 *et seq.*

2.3 Plaintiff further seeks to obtain a Permanent Injunction pursuant to TEX. INS. CODE § 443.008 (a), restraining Defendant from conducting the business of insurance, except as directed

by the Liquidator, and restraining other parties from taking any actions against Defendant or its property.

2.4 Plaintiff further seeks to recover from Defendant reasonable attorneys' fees and court costs incurred in this action as provided by TEX. GOV'T CODE ANN. § 402.006.

2.5 Plaintiff further seeks to recover from Defendant all the fees, taxes, fines, penalties, and forfeitures provided by law for the acts complained of, including, but not limited to, all of the taxes, fines, penalties, and forfeitures provided by TEX. CONST. ART. IV, § 22, subject to the provisions of the Insurer Receivership Act.

III. DEFENDANT

3.1 New Century Insurance Company is an insurer doing business in the State of Texas. Defendant is a "Covered Person" as is defined in TEX. INS. CODE § 443.003.

3.2 Defendant waived citation and service of process and consented to the entry of an order of liquidation under Section 443.057(20) and a permanent injunction under Section 443.008(a).

IV. JURISDICTION AND VENUE

4.1 This Court has jurisdiction over this action pursuant to TEX. CONST. art. IV, §22 and TEX. INS. CODE § 443.005.

4.2 This suit must be brought against Defendant in Travis County, Texas pursuant to TEX. INS. CODE §§ 443.005 (g) and 443.051.

V. FACTS

5.1. Defendant is authorized to engage in business as a fire and casualty stock insurer under Chapter 822 of the Texas Insurance Code. It is authorized to issue insurance policies providing coverage for allied coverages, auto physical damage, automobile liability, fire, and allied lines. It is only active in Texas.

5.2 Defendant is a wholly owned subsidiary of NCL Management Corporation, a Texas corporation, which is a wholly owned subsidiary of R.V.O.S. Farm Mutual Insurance Company, a Texas domiciled farm mutual insurance company authorized to engage in business under Chapter 911 of the Texas Insurance Code.

5.3 Defendant does not have admitted assets at least equal to its liabilities. Exh. 1.

5.4 Defendant does not have admitted assets at least equal to all its liabilities together with the minimum surplus required to be maintained under the Texas Insurance Code. Exh. 1.

5.5 Priority One Insurance Company, which is wholly owned by R.V.O.S. Farm Mutual Insurance Company, and RVOS General Agency, Inc., which is wholly owned by Priority One Insurance Company are Defendant's affiliates. Defendant and these affiliates contracted with R.V.O.S. Farm Mutual Insurance Company for policy administration, underwriting, processing, executive management and claims administration services.

VI. GROUNDS FOR ORDER OF LIQUIDATION

6.1 The following grounds exist to place Defendant into liquidation pursuant to TEX. INS. CODE § 443.057:

- (a) Grounds exist under TEX. INS. CODE §443.057(2), as Defendant is insolvent as defined in TEX. INS. CODE § 443.004(a)(13). Defendant does not have admitted assets at least equal to its liabilities. Exh 1.
- (b) Grounds exist under Section 443.057(1), as the Defendant is impaired, as defined in Section 443.004(a)(12). Defendant does not have "admitted assets at least equal to all its liabilities together with the minimum surplus required to be maintained under this code." Exh 1.
- (c) Grounds exist pursuant to TEX. INS. CODE § 443.057 (9), as the further transaction of Defendant's business would be hazardous to its creditors or the public.

- (d) Grounds exist pursuant to TEX. INS. CODE § 443.057 (20), as Defendant has consented to an order of liquidation. Exh 1.

6.2 Pursuant to TEX. INS. CODE § 443.058, if any of the grounds provided in § 443.057 are established, the court shall issue the order of liquidation requested in the petition.

VII. APPOINTMENT OF LIQUIDATOR

7.1 TEX. INS. CODE § 443.151(a) provides that an order of liquidation must appoint the Commissioner as the Liquidator. Pursuant to TEX. INS. CODE § 443.151 *et seq* Plaintiff requests that this Court issue an order appointing the Commissioner as Liquidator of Defendant, and grant the Liquidator all powers under the statutes and the common law of the State of Texas, including but not limited to TEX. INS. CODE § 443.151 *et seq*, to conduct the business of the Defendant, and take any other actions as the Liquidator deems necessary. Pursuant to TEX. INS. CODE § 443.008 (m), Plaintiff further requests that the Liquidator not be required to file a bond.

7.2 Plaintiff further requests that, pursuant to TEX. INS. CODE § 443.151(a), this Court issue an order finding that all of Defendant's property of any kind or nature, wherever situated, whether real, personal, or mixed, and whether held in Defendant's name or for Defendant's benefit, including but not limited to cash, accounts, funds, stocks, bonds, statutory deposits (including deposits made by Defendant with any agency of a state or the federal government), trust funds, letters of credit, safe deposit boxes, notes, books, records, documents, furniture, equipment, real estate, retainages and retainers, and rights or causes of actions of any kind, including, but not limited to, accounts receivables, contract rights, premiums, insurance and reinsurance proceeds, and all licenses held by Defendant, be vested in the Liquidator.

VIII. STAY OF PROCEEDINGS

8.1 Pursuant to TEX. INS. CODE § 443.008 (c), the commencement of this proceeding operates as a stay against the commencement or continuation of a judicial, administrative, or other

action or proceeding or process against Defendant or its property. Further, pursuant to TEX. INS. CODE § 443.008(d), the commencement of this proceeding operates as a stay with respect to certain actions against insureds of Defendant for 90 days after the date of the order appointing the Liquidator, or such further time ordered by this Court. Plaintiff requests that this Court enter any additional stays under TEX. INS. CODE § 443.008(a) as may be necessary.

IX. INJUNCTIVE RELIEF

9.1 This Court may grant injunctive relief as necessary or appropriate to carry out the provisions of the Insurer Receivership Act pursuant to TEX. INS. CODE § 443.008(a). Plaintiff requests that this Court enter a Permanent Injunction as set forth herein pursuant to TEX. INS. CODE § 443.008 (a) to prevent immediate and irreparable injury, loss and damage to the State of Texas, the general public, and Defendant's creditors.

9.2 Unless restrained by this Court, Defendant will continue to operate in an insolvent and hazardous financial condition. Plaintiff therefore requests that this Court enter an order enjoining Defendant's current and former officers, directors, trustees, underwriters, managers and employees including but not limited to Wiley R. Shockley, Renee Quinn, Richard D. Hykel, Irene J. Sulak, Wesley D. Jackson, Thomas Stavinoha, Dennis Vanek, Joseph Liles, Jason Tully, Roger Wayne Wilson, Claude Hempel and Ryan Thoma; owners and affiliates, including but not limited to NCL Management Corporation, R.V.O.S. Farm Mutual Insurance Company, Priority One Insurance Company and RVOS General Agency, Inc.; local recording agents, managing general agents, agents, third party administrators, representatives, associates, servants, adjusters, attorneys and accountants, including but not limited to those acting in concert with them, from conducting business on behalf of Defendant, except as directed by the Liquidator, and from wasting, transferring, selling, assigning, canceling, concealing, claiming, hypothecating or disposing of, in

any manner, any of Defendant's property. Plaintiff further requests that this Court order Defendant and Defendant's agents to cooperate with the Liquidator as required by TEX. INS. CODE § 443.010.

9.3 All financial institutions and depositories, including but not limited to The First National Bank of Central Texas, Wells Fargo Bank, N.A., Wells Fargo Advisors, Wells Fargo Clearing Services, LLC, Wells Fargo Advisors Financial Network, LLC, Extraco Banks, Cadence Bank and any other parties that receive actual notice should be restrained from taking unauthorized actions in connection with Defendant's property. Plaintiff therefore requests that this Court issue an order pursuant to TEX. INS. CODE § 443.008(a) enjoining any parties from releasing, transferring, concealing, withdrawing, allowing to be withdrawn, or affecting, in any manner, any of Defendant's property, as further described herein, or other asset to the credit of Defendant on deposit with them or in their possession, except as authorized by the Liquidator or the Liquidator's designees, and that such parties be ordered to produce and deliver to the Liquidator or the Liquidator's designees such assets, money, deposits, or other items they have in their custody.

9.4 To avoid the dissipation or loss of Defendant's assets or records, and prevent any creditors or claimants from obtaining any preferences in violation of the Insurer Receivership Act, an injunction should be issued against any and all parties asserting claims or causes of action of any kind against Defendant. Plaintiff therefore requests that this Court enjoin any parties from commencing or prosecuting any action against the Liquidator or Defendant, including, but not limited to, arbitration, administrative proceedings, lawsuits or appeals, and from obtaining any preference, judgment, attachment, garnishment, lien or levy against the Liquidator, Defendant or Defendant's property, except by doing so as permitted by the Insurer Receivership Act. Plaintiff further requests that this Court order that the United States Postmaster deliver to the Liquidator any items addressed to Defendant.

X. OTHER RELIEF

10.1 Plaintiff requests that this Court award it all costs incurred in this proceeding, including but not limited to reasonable attorneys' fees, investigative costs, and court costs. The payment of such amounts shall be subject to the provisions of TEX. INS. CODE Chapter 443.

PRAYER

WHEREFORE, PREMISES CONSIDERED, the Plaintiff prays:

1. that the Court grant the Application and the relief requested;
2. that this court enter a Permanent Injunction enjoining Defendant and Defendant's agents, financial institutions and depositories, and all other persons from taking any action in connection with Defendant's business and property, except as directed by the Liquidator, and from taking any action against Defendant or the Liquidator, except as permitted by the Insurer Receivership Act;
3. that the Court immediately appoint the Commissioner as Liquidator, and that the Liquidator be given all powers under the statutes and the common law of the State of Texas;
4. that the Court vest the Liquidator with title to Defendant's property;
5. that Plaintiff be awarded all costs incurred in this proceeding, including but not limited to reasonable attorneys' fees, investigative costs, and court costs, subject to the provisions of TEX. INS. CODE Chapter 443;
6. that no bond be required of the Commissioner or the Liquidator; [and]
7. for any and further relief, both general and specific, in law and in equity, to which Plaintiff may be entitled.

Respectfully submitted,

KEN PAXTON
Attorney General

BRENT WEBSTER

First Assistant Attorney General

RALPH MOLINA

Deputy First Assistant Attorney General

AUSTIN KINGHORN

Deputy Attorney General for Civil Litigation

KIMBERLY GDULA

Chief, General Litigation Division

Original Signed By

STEPHEN DEVINNEY

Texas Bar No: 24138110

Assistant Attorney General

General Litigation Division

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ATTORNEYS FOR PLAINTIFF

THE TEXAS DEPARTMENT OF INSURANCE

AFFIDAVIT

STATE OF TEXAS

§
§
§

COUNTY OF TRAVIS

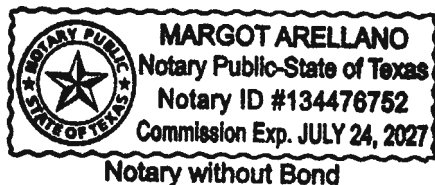
BEFORE ME, the undersigned authority, on this day personally appeared Jamie Walker, the Deputy Commissioner for Financial Regulation for the Texas Department of Insurance, who, after by me being duly sworn, upon oath deposed and said:

"I am over the age of eighteen, have never been convicted of a felony, and am competent to make this affidavit. I am the Deputy Commissioner for Financial Regulation for the Texas Department of Insurance. I have carefully read the allegations contained in the foregoing *Plaintiff's Original Petition, Application for Order Appointing Liquidator and Request for Injunctive Relief*, and state that each and every one of the allegations of facts is true and correct, and is made on my personal knowledge."

Original Signed By

Jamie Walker

SUBSCRIBED AND SWORN to before me this the 26 day of August, 2025 to certify which, witness my hand and seal of office.



Original Signed By

Notary Public in and for the
State of Texas

EXHIBIT 1

CONSENT TO ORDER OF LIQUIDATION

It is hereby agreed to as follows:

1. New Century Insurance Company (Company) is a Texas domiciled fire and casualty insurer licensed under Texas Insurance Code Chapter 801 and Chapter 822 and is authorized to transact insurance business in Texas.
2. Company admits that grounds exist for the entry of an order placing Company into liquidation and appointing a liquidator under Texas Insurance Code § 443.057.
3. Company specifically admits that grounds exist under Texas Insurance Code § 443.057(1) as it is impaired as that term is defined in Texas Insurance Code § 443.004(a)(12).
4. Company further specifically admits that grounds exist under Texas Insurance Code § 443.057(2) as it is insolvent as that term is defined in § 443.004(a)(13).
5. Company further specifically admits that grounds exist under Texas Insurance Code § 443.057(9) as it is in a condition such that the further transaction of business would be hazardous financially, according to Texas Insurance Code Subchapter A, Chapter 404, or otherwise, to its policyholders, creditors, or the public.
6. Company consents through an Action of Unanimous Written Consent of the Board to the entry of an order placing Company into liquidation and appointing the commissioner of insurance of the State of Texas ("Commissioner") as liquidator under Texas Insurance Code § 443.057(20).
7. Company consents to any injunction the receivership court, as that term is defined in Texas Insurance Code § 443.004(24), deems necessary and appropriate under Texas Insurance Code § 443.008. Company agrees that the Commissioner may, at her sole discretion, apply to the receivership court for any additional orders regarding Company, and that all such orders entered shall be final when entered, with Company waiving any right to appeal such orders, including any order liquidating the Company.
8. This consent is attached to the Unanimous Written Consent of the Board adopting it.
9. Company acknowledges that it has agreed to this Consent to Order of Liquidation voluntarily and after having the opportunity to consult counsel of its choosing.

New Century Insurance Company consents to the entry of an order placing Company into liquidation and appointing the Commissioner as liquidator, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein.

Original Signed By

Name: Wiley Shockley

Original Signed By

Name: Wes Jackson

Original Signed By

Name: Richard Hykel

Original Signed By

Name: Renee Quinn

Original Signed By

Name: Joe Liles, Director

Original Signed By

Name: Claude Hempel, Director

Original Signed By

Name: Thomas Stavinoha, Director

Original Signed By

Name: Dennis Vanek, Director

Original Signed By

Name: Ryan Thoma, Director

Original Signed By

Name: Jason Tully, Director

Original Signed By

Name: Wayne Wilson, Director

**ACTION BY UNANIMOUS WRITTEN CONSENT OF
THE BOARD OF DIRECTORS OF
NEW CENTURY INSURANCE COMPANY**

August 12, 2025

The undersigned, being all of the members of the Board of Directors (Board) of New Century Insurance Company, a Texas stock fire and casualty insurance company (Company), waiving all notice, consent to, approve of and adopt the following actions being taken without a meeting pursuant to the authorization of the Texas Business Organizations Code Section 6.201, Texas Insurance Code Section 822.152, and the Company's Bylaws.

WHEREAS, pursuant to Section 4.1 of the Company's Bylaws, the Board agrees to make the following resolution after having consulted with counsel of its choosing:

NOW, THEREFORE, BE IT:

RESOLVED, that the Board agrees to the attached Consent to Order of Liquidation and entry of an order placing the Company into liquidation and appointing the commissioner of insurance of the State of Texas (Commissioner) as liquidator under Texas Insurance Code § 443.057(20) without further notice or hearing and waive any and all rights to notice and hearing.

FURTHER RESOLVED, that grounds exist for the entry of an order placing the Company into liquidation and appointing a liquidator as under Texas Insurance Code 443.057(1) as the Company is impaired as that term is defined in Texas Insurance Code § 443.004(a)(12), under Texas Insurance Code 443.057(2) as the Company is insolvent as that term is defined in Texas Insurance Code § 443.004(a)(13) and under Texas Insurance Code 443.057(9) as the Company is in a condition such that the further transaction of business would be hazardous financially, according to Texas Insurance Code Subchapter A, Chapter 404, or otherwise, to its policyholders, creditors, or the public.

FURTHER RESOLVED, that the Company consents to any injunctions the receivership court, as that term is defined in Texas Insurance Code § 443.004(24), deems necessary and appropriate under Texas Insurance Code § 443.008. The Company agrees that the Commissioner may, at her sole discretion, apply to the receivership court for any additional orders regarding the Company, and that all such orders entered shall be final when entered, with the Company waiving any right to appeal such orders, including any order liquidating the Company.

FURTHER RESOLVED, that the directors and the officers of the Company are hereby authorized to execute any and all consent agreements or documents on behalf of the Company and are authorized to take any and all additional actions as deemed necessary or appropriate by the commissioner without further approval of the directors or shareholders.

OMNIBUS RESOLUTIONS RESOLVED, that the officers and directors of the Company be, and each of them hereby is, authorized and directed, for and on behalf of the Company, to make all such arrangements, to do and perform all such acts and to execute and deliver all such

certificates and such other instruments, agreements, and documents, and to pay all such expenses, as they may deem necessary or appropriate in order to fully effectuate the purpose of each and all of the foregoing resolutions, and to waive all conditions and to do all things necessary and helpful to carry out the purposes of the foregoing resolutions, and that any and all prior or future actions taken by those officers or directors that are consistent with the purposes and intent of the above resolutions are ratified, approved, adopted, and confirmed; and

RESOLVED FURTHER, that all documents, agreements and instruments previously executed and delivered, and any and all actions previously taken by any director, officer, employee or agent of the Company in connection with or related to the matters set forth in, or reasonably contemplated or implied by, the foregoing resolutions be, and each of them hereby is, adopted, ratified, confirmed and approved in all respects and for all purposes as the acts and deeds of the Company. The actions taken by this consent shall have the same force and effect as if taken by the undersigned at a meeting of the Board, duly called and constituted pursuant to the Texas Business Organizations Code and the Bylaws of the Company. This consent may be executed by telefacsimile signature or other electronic means, and a telefacsimile signature or signature delivered by other electronic means will constitute an original signature. This consent shall be filed with the minutes of the proceedings of the Board.

IN WITNESS WHEREOF, the undersigned have executed this Action by Unanimous Written Consent of the Board of Directors of New Century Insurance Company effective as of the date first written above.

Original Signed By

Name: Wiley Shockley, Director

Original Signed By

Name: Wes Jackson, Director

Original Signed By

Name: Richard Hykel, Director

Original Signed By

Name: Renee Quinn, Director

Original Signed By

Name: Joe Liles, Director

Original Signed By

Name: Claude Hempel, Director

Original Signed By

Name: Thomas Stavinotha, Director

Original Signed By

Name: Dennis Vanek, Director

Original Signed By

Name: Ryan Thoma, Director

Original Signed By

Name: Jason Tully, Director

Original Signed By

Name: Wayne Wilson, Director

SECRETARY'S CERTIFICATE

The undersigned, Renee Quinn, hereby certifies that I am the duly elected and acting secretary of New Century Insurance Company, (Company), and that I am duly authorized to execute and deliver this Secretary's Certificate on behalf of the Company. I hereby further certify on behalf of the Company that:

The following is a true, correct, and complete copy of the resolutions adopted by unanimous written consent of the board of directors of the Company (Resolution) effective August 12, 2025. The Resolution is the only resolution adopted by the board of directors of the Company in relation to the subject matter thereof and was duly adopted in accordance with the provisions of the Certificate and bylaws of the Company. The Resolution has not been rescinded, amended, or otherwise modified since the date of its adoption and is in full force and effect on the date hereof.

RESOLVED, that the Board agrees to the attached Consent to Order of Liquidation and entry of an order placing the Company into liquidation and appointing the commissioner of insurance of the State of Texas (Commissioner) as liquidator under Texas Insurance Code § 443.057(20) without further notice or hearing and waive any and all rights to notice and hearing.

FURTHER RESOLVED, that grounds exist for the entry of an order placing the Company into liquidation and appointing a liquidator as under Texas Insurance Code 443.057(1) as the Company is impaired as that term is defined in Texas Insurance Code § 443.004(a)(12), under Texas Insurance Code 443.057(2) as the Company is insolvent as that term is defined in Texas Insurance Code § 443.004(a)(13) and under Texas Insurance Code 443.057(9) as the Company is in a condition such that the further transaction of business would be hazardous financially, according to Texas Insurance Code Subchapter A, Chapter 404, or otherwise, to its policyholders, creditors, or the public.

FURTHER RESOLVED, that the Company consents to any injunctions the receivership court, as that term is defined in Texas Insurance Code § 443.004(24), deems necessary and appropriate under Texas Insurance Code § 443.008. The Company agrees that the Commissioner may, at her sole discretion, apply to the receivership court for any additional orders regarding the Company, and that all such orders entered shall be final when entered, with the Company waiving any right to appeal such orders, including any order liquidating the Company.

FURTHER RESOLVED, that the directors and the officers of the Company are hereby authorized to execute any and all consent agreements or documents on behalf of the Company and are authorized to take any and all additional actions as deemed necessary or appropriate by the commissioner without further approval of the directors or shareholders.

OMNIBUS RESOLUTIONS RESOLVED, that the officers and directors of the Company be, and each of them hereby is, authorized and directed, for and on behalf of the Company, to make

all such arrangements, to do and perform all such acts and to execute and deliver all such certificates and such other instruments, agreements, and documents, and to pay all such expenses, as they may deem necessary or appropriate in order to fully effectuate the purpose of each and all of the foregoing resolutions, and to waive all conditions and to do all things necessary and helpful to carry out the purposes of the foregoing resolutions, and that any and all prior or future actions taken by those officers or directors that are consistent with the purposes and intent of the above resolutions are ratified, approved, adopted, and confirmed; and

RESOLVED FURTHER, that all documents, agreements and instruments previously executed and delivered, and any and all actions previously taken by any director, officer, employee or agent of the Company in connection with or related to the matters set forth in, or reasonably contemplated or implied by, the foregoing resolutions be, and each of them hereby is, adopted, ratified, confirmed and approved in all respects and for all purposes as the acts and deeds of the Company. The actions taken by this consent shall have the same force and effect as if taken by the undersigned at a meeting of the Board, duly called and constituted pursuant to the Texas Business Organizations Code and the Bylaws of the Company. This consent may be executed by telefacsimile signature or other electronic means, and a telefacsimile signature or signature delivered by other electronic means will constitute an original signature. This consent shall be filed with the minutes of the proceedings of the Board.

IN WITNESS WHEREOF, the undersigned has executed this Secretary's Certificate on behalf of the Company as of August 12, 2025.

New Century Insurance Company

Original Signed By

By: _____

Renee Quinn

Secretary

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.

Quennette Rose on behalf of Stephen DeVinney

Bar No. 24138110

quennette.rose@oag.texas.gov

Envelope ID: 105080053

Filing Code Description: Petition

Filing Description: PLAINTIFF'S ORIGINAL PETITION, APPLICATION FOR ORDER APPOINTING LIQUIDATOR AND REQUEST FOR INJUNCTIVE RELIEF

Status as of 9/3/2025 12:10 PM CST

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
Michael W.Jones		MJones@thompsoncoe.com	9/2/2025 10:49:33 AM	SENT
Stephen DeVinney		stephen.devinney@oag.texas.gov	9/2/2025 10:49:33 AM	SENT
Quennette Rose		Quennette.Rose@oag.texas.gov	9/2/2025 10:49:33 AM	SENT