

IN THE CIRCUIT COURT OF COLE COUNTY, MISSOURI

CHLORA LINDLEY-MYERS, Director,
Department of Commerce and Insurance of the
State of Missouri,

Plaintiff,

v.

CAMERON MUTUAL INSURANCE COMPANY,
And CAMERON NATIONAL INSURANCE
COMPANY,

Defendants.

Case No. 23AC-CC04735

**ORDER APPROVING SALE OF CAMERON
NATIONAL INSURANCE COMPANY**

Plaintiff Chlora the Director (“Director”) of the Missouri Department of Commerce and Insurance (“Department”), in her capacity as liquidator (“Liquidator”) of Cameron Mutual Insurance Company (“Cameron Mutual”) and as rehabilitator (“Rehabilitator”) of Cameron National Insurance Company (“Cameron National”) (the Director, Liquidator and Rehabilitator are collectively hereinafter referred to as the “Receiver”) has filed a *Motion to Approve the Sale of Cameron National Insurance Company* (“Motion”). The Court, being fully advised in the merits hereby, does approve the sale of Cameron National and **ORDERS** as follows:

Background

1. Cameron National is a Missouri-domiciled Chapter 379 property and casualty insurance company. Cameron National is a wholly owned subsidiary of Cameron Mutual.

2. Cameron National is authorized to write multiple lines of business pursuant to §§ 379.010(1), 379.010.1(2), and 379.010.1(5), RSMo. Cameron National holds active insurance licenses (“Licenses”) in six states: Arkansas, Illinois, Iowa, Kansas, Missouri, and Nebraska.¹ Cameron National has not written any insurance business for several years. The remaining value of Cameron National is derived from its six licenses.

3. On August 7, 2023, the Court entered an Order of Rehabilitation (“Rehabilitation Order”) of Cameron Mutual and Cameron National and appointed the Director to serve as Rehabilitator.

4. Effective December 1, 2023, the Court entered a Judgment, Decree, and Final Order of Liquidation (“Liquidation Order”) of Cameron Mutual and appointed the Director to serve as Liquidator. On December 26, 2023, the Court entered an Order Finding Cameron Mutual Insurance Company Insolvent.

Liquidator’s Authority to Sell

5. Pursuant to § 375.1182.9 the Liquidator is authorized to sell Cameron National. Section 375.1182 provides in relevant part: “The liquidator shall have the power to acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon or otherwise dispose of or deal with any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable” Furthermore, the Liquidation Order specifically authorizes the Liquidator to Sell Cameron National, providing:

¹ To provide notice of the proposed sale the Liquidator is serving copies of this Motion on all state Departments of Insurance in which Cameron National holds its licenses.

j. **Title to and Disposition of Estate Property.** The Court

Further orders that:

- i. The Liquidator is vested by operation of law with the title to any and all property interests of Cameron Mutual wherever located, including, but not limited to, its contracts, rights of action, defenses, books, records, and accounts, including those of any wholly owned subsidiary of Cameron Mutual.

...

- vi. The Liquidator is authorized to do any acts as are necessary or expedient to collect, conserve, or protect assets or property of Cameron Mutual, including, but not limited to:

1. Conduct public and private sales of the property of Cameron Mutual or any of its wholly owned subsidiaries.

- t. **Authority to Enter or Disavow Contracts.** The Court authorizes the Liquidator to enter into contracts to carry out this Liquidation Order . . .

The Bid Process

6. On March 11, 2024, the Liquidator provided notice of her invitation for bids for a potential sale of Cameron National by posting the *Information Regarding Potential Sale of Cameron National Insurance Company* (“Bid Notice”), attached to the Motion as Exhibit 2, to the Cameron Mutual website.² Additionally, to the extent the Liquidator knew of interested parties, the Liquidator notified them of the bid process. From March 11, 2024 until the Liquidator announced the successful bidder, all bidders were barred from initiating any contact regarding the bid process with the Liquidator, her agents, employees, or staff other than by contacting Michael Fielding of Husch Blackwell LLP, counsel to the Liquidator (“Counsel”). In relevant part, the Bid Notice:

- a. Provided notice that any sale of Cameron National is subject to the review and approval of this Court and is subject to regulatory approval, including approval of a Form A filing by the Director.
- b. Requested that a party interested in the potential purchase of Cameron National complete a Nondisclosure Agreement, attached to the Motion as Exhibit 3, and return it to Counsel in order to obtain access to a digital data room with information on Cameron National.
- c. Provided notice that bids to purchase Cameron National must be submitted in writing to counsel by the deadline of March 29, 2024 by 5:00pm CT.
- d. Required all bids to include the following information:
 - i. Name or organization
 - ii. Address of organization’s headquarters
 - iii. Organization’s headquarters’ telephone number, including county code
 - iv. Name of individual(s) submitting bid and their:
 1. Telephone number(s)
 2. Fax number; and

² This posting is available at <https://www.cameron-insurance.com/> under “Sale Process for Cameron National Insurance Company.”

3. Email Address

- v. Date of bid submission
 - vi. Brief history of organization, including ownership, prior business names, and length of time the bidder's organization has been in business under its present name and ownership
 - vii. Name of parent, if any, and the names of affiliates or subsidiaries
 - viii. Name of organization's directors, officers and/or managing partner
 - ix. Names and address of all individual investors in the firm
 - x. Names and addresses of all institutional investors in the firm, including any entity that is not a living person
 - xi. Purchase price to be paid to the Cameron Mutual Liquidation Estate ("Estate").
- e. Informed bidders that request to treat entire bids as confidential would not be honored unless a bid specifically requested that certain specifically identified information be treated as a trades secret. No bidders requested such confidentiality treatment.
- f. Notified bidders that all decisions in the evaluation and awarding of a bid for the sale of Cameron National will be made solely at the liquidator's discretion.

7. As part of the bid process, the Liquidator established a data room where interested bidders could securely review more detailed information on Cameron National. To gain access to the data room interested parties were required to sign a non-disclosure agreement. Several entities signed non-disclosure agreements to review information in the data room.

8. The Liquidator utilized a fair, transparent and comprehensive bid process, affording reasonable opportunity for any person or entity to make an offer.

9. Through this process, the Liquidator received five timely bids by the March 29, 2024 deadline each of which comported with the bid submission requirements.

10. Each of the bids complied with the technical requirements for a bid submission. Stated differently, none of the bids were disqualified from consideration based on some technical error.

11. Following submission, all five bids were individually closely reviewed and analyzed. Following that review and analysis the Liquidator determined the winning bid because it was significantly better than all other bids submitted. All unsuccessful bidders were notified that the Liquidator selected a different bid offer.

The Bedrock Bid and the Stock Purchase Agreement

12. The Liquidator has awarded the bid to SurSafe Insurance Company f/k/a Bedrock Insurance Company, Inc. ("Bedrock"), a Missouri domiciled property and casualty insurance company. Bedrock is a wholly owned subsidiary of Mutual Alliance Holdings, Inc., ("Holdings") which is exclusively owned by two long-standing Missouri mutual property and casualty insurers: BMI Insurance Company Inc. ("BMI") and Old Missouri Mutual Insurance Company ("OMM") (collectively Bedrock, Holdings, BMI and OMM are referred to hereinafter as the "Purchasing Parties"). BMI has operated in Missouri since 1891 and owns 75% of Holdings stock while OMM has operated in Missouri since 1908 and owns 25% of Holdings stock.

13. Bedrock assigned its bid rights to Holdings, making Holdings the actual purchaser of Cameron National. All terms and conditions of the sale to Holdings are identical to the terms and conditions contained in the Bedrock bid.

14. Bedrock's bid contained the following:

- a. Purchase Price Consideration. A total purchase price to be paid to the Estate in the sum of:
 - i. the capital and surplus on the balance sheet of Cameron National equal to \$2,995,577 as of December 31, 2023, plus interest accrued from such date until the Agreement closing date; and
 - ii. an additional cash amount of \$750,903.06 for all Licenses, valued at \$125,150.51 per license.

These funds are to be paid in cash by Holdings through downstream funding.

- b. Speed and Certainty of Close. The Purchasing Parties committed to quickly and efficiently prepare the necessary Form A filing for the Director's approval, cooperating to complete an appropriate purchase agreement, and executing the required legal documentation necessary to close the transaction.

15. The Liquidator affirmatively represented and stated to the Court that the consideration offered by the Purchasing Parties was materially better than all of the remaining bids that were provided.

16. The Liquidator and Purchasing Parties negotiated the Agreement at arm's length and in good faith.

17. Closing of the transaction under the Agreement is conditioned, upon: (1) entry of an Order by this Court approving the sale of Cameron National; (2) the Director's approval of Holdings' Form A application pursuant to §§ 382.040–382.095, RSMo, and 20 CSR 200-11.101; (3) completion of all obligations of the Parties set forth in the Agreement. Pursuant to § 375.1182.9 and the Liquidation Order³ the Liquidator is authorized, subject to the approval of this Court, to enter into and perform, or cause the performance of, all her

³ See Liquidation Order, at ¶ (j)(vi)(1)

respective obligations arising under the Agreement. The Liquidator is ready and willing to perform, or cause to be performed, these obligations and recommends this Court approve the Agreement.

Best Interest of Policyholders and Creditors

18. The Agreement is the result of a transparent, competitive bid process followed by good faith negotiations and consideration from the winning bidder. The proposed sale of the Cameron National stock is in the best interests of Cameron Mutual's policyholders and creditors of the Estate.

19. The Agreement liquidates Cameron National for a cash purchase price which will inure to the benefit of the creditors of the Liquidation Estate. Approval of the Agreement will allow the Liquidator to monetize for the benefit of the Estate its ownership of Cameron National. Upon Closing, the Estate will receive substantial consideration as detailed above. This supplementation of the Estate's assets will enhance the Liquidator's ability to protect the financial interests of Cameron Mutual's policyholders, creditors, and the public.

20. The Liquidator has been obligated to maintain oversight for the ongoing operations of Cameron National. This obligation and the expenses associated therewith shall no longer be borne by the Estate upon the sale of Cameron National.

21. The sale of Cameron National will therefore result in a decrease in Estate operating costs and the liquidation of a substantial asset of the estate.

Based on the foregoing findings of fact and conclusions of law, the Court hereby
FINDS, ORDERS, ADJUDGES AND DECREES THAT

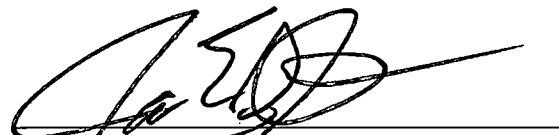
1. The bid process was fair and reasonable to all interested parties;
2. The Agreement is fair and reasonable to Cameron Mutual and its creditors;
3. The terms and conditions of the transaction as set forth in the Agreement are approved;
4. The conduct and actions of the Liquidator, including her employees, agents and counsel, in connection with the Agreement are affirmed and approved in all respects;
5. The sale of Cameron National shall be free and clear of any and all liens and encumbrances that may exist in the stock of Cameron National with any liens and encumbrances that may exist attaching to the sales proceeds of Cameron National;
6. Holdings and Cameron National shall not be liable for any “Residual Estate Liabilities” (as that term is defined in the Stock Purchase Agreement).
7. The parties are authorized to enter other and further documents as may be necessary to effectuate the transactions without further approval of the Court (including, but not limited to, amending the Agreement without further Court order *provided* that any such amendment does not change the existing purchase price provisions of the Agreement or, in the Liquidator’s sole discretion and determination, exposes the Cameron Mutual liquidation estate to any new material risk);
8. Upon the closing of the sale of Cameron National the Rehabilitator shall be immediately discharged and released for all responsibilities in relation to Cameron National under the Rehabilitation Order, the rehabilitation of Cameron National

shall be deemed automatically terminated, and Cameron National shall no longer be subject to this Court's supervision;

9. Within five (5) business days following closing the Receiver shall file with the Court a "Notice of Closing of Sale of Cameron National Insurance Company and Notice of Automatic Termination of the Rehabilitation of Cameron National Insurance Company" ("Notice") wherein the Receiver shall (a) identify the date of closing of the sale of Cameron National and (b) refer to this Order and inform the Court and any other party receiving the Notice that the Rehabilitator has been discharged and released for all responsibilities in relation to Cameron National under the Rehabilitation Order and that the rehabilitation ended effective on the date of closing; and

10. There is no just reason for delay and the Order constitutes a final judgment fully resolving all issues relating to the Agreement.

IT IS SO ORDERED.


Honorable Jon E. Beetem
Cole County Circuit Judge
Division 1