

**IN THE CIRCUIT COURT OF COLE COUNTY, MISSOURI**

CHLORA LINDLEY-MYERS, Director,	)	
Department of Commerce and Insurance of the	)	
State of Missouri,	)	
	)	
Plaintiff,	)	
	)	Case No. 23AC-CC04735
v.	)	
	)	
CAMERON MUTUAL INSURANCE COMPANY,	)	
and	)	
CAMERON NATIONAL INSURANCE COMPANY,	)	
	)	
Defendants.	)	

**RECEIVER’S THIRD STATUS REPORT AND ACCOUNTING**

COMES NOW Chlora Lindley-Myers, the Director (“Director”) of the Missouri Department of Commerce and Insurance (“Department”), in her capacity as the court-appointed liquidator (“Liquidator”) of Cameron Mutual Insurance Company (“Cameron Mutual”) and the court-appointed rehabilitator (“Rehabilitator”) of Cameron National Insurance Company (“Cameron National”),<sup>1</sup> pursuant to the Missouri Insurers Supervision, Rehabilitation and Liquidation Act, §§ 375.1150 to 375.1246, RSMo (the “Act”), and provides the Court with her Third Status Report and Accounting pursuant to § 375.1176.6.

**I. Background on Cameron Mutual, Cameron National, and this Receivership**

Cameron Mutual and its wholly owned-subsidiary, Cameron National, are Missouri-domiciled Chapter 379 property and casualty insurance companies. At the time the

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<sup>1</sup> Because Cameron Mutual is in liquidation and Cameron National is in rehabilitation, this case will be referred to as the “Receivership Case.” The Liquidator and Special Deputy Liquidator are collectively referred to as the “Receiver.”

companies went into receivership, both carried insurance licenses in various states, but only Cameron Mutual had any active policy business in place. Cameron Mutual wrote personal, auto, homeowners, small commercial, and farm lines of business in Missouri, Arkansas, and Iowa. Cameron National has not written any business since December 1, 2017.

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. Effective December 1, 2023, this Court entered its Judgment, Decree, and Final Order of Liquidation (“Liquidation Order”) of Cameron Mutual and appointed the Director to serve as Liquidator. Cameron National remains in rehabilitation.

Under the Liquidation Order, all Cameron Mutual policies terminated by operation of law no later than December 31, 2023. Liquidation Order at p. 3 ¶ (c). Because many policyholders had paid the full premium for the policy at the policy’s inception, those policyholders were owed a return of the unearned premium on their policies.

On December 26, 2023, the Court entered an Order finding Cameron Mutual insolvent. The Court’s finding of insolvency had the effect of triggering the state Guaranty Associations<sup>2</sup> in the states in which Cameron Mutual had policies, i.e., Missouri, Iowa and Arkansas. The Guaranty Associations pay Cameron Mutual policy claims according to each state’s guaranty association statutes. In addition, the Guaranty Associations pay policyholder claims for return of premium (also referred to as “unearned premium”) subject to statutory terms and limits.

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<sup>2</sup> The affected Guaranty Associations include the Missouri Property and Casualty Insurance Guaranty Association (“Missouri GA”), the Iowa Insurance Guaranty Association (“Iowa GA”), and the Arkansas Property and Casualty Guaranty Fund (“Arkansas GA”).

On February 21, 2021, the Court entered an Order Approving Receivership Procedures (“Procedures Order”) under which the Receiver must file a status report and financial accounting no later than December 1, 2024. The Receiver filed her First Status Report on March 12, 2024 and Second Status Report on September 12, 2024.

## **II. Update on Policy Claims and Premium Refunds**

The Receiver and her staff have implemented a system with the Guaranty Associations to share data needed to pay policyholder claims and premium refunds and for the Guaranty Associations to send claim updates to the Cameron Mutual Estate. Cameron Mutual sent to the Guaranty Associations records relating to approximately 9,500 policyholder claims for return of premium and all open policy claims to the Guaranty Associations. The Guaranty Associations have paid most of the premium refund claims and are processing policy claims.

Pursuant to § 375.1205.1 of the Act and the Court’s Order Approving Receivership Procedures, p. 2 ¶ b(iv), the Receiver must make an application to the Court for approval of a proposal to make early access disbursements out of marshaled assets by December 1, 2024. The Court entered an Order on December 3, 2024, extending the deadline to December 31, 2024, for the Receiver to file her proposal for early access disbursements. The Receiver and Guaranty Associations have finalized an agreement for early access agreements. The Receiver has filed a motion with the Court requesting approval of the agreement and proposal for early access disbursements.

## **III. Update on the Disposition of Cameron Mutual Property**

The Receiver has taken possession of all known assets and property of Cameron Mutual in accordance with the Liquidation Order. The Receiver controls and monitors all bank and investment accounts of Cameron Mutual and two wholly owned subsidiaries, Cameron National and Cameron Insurance Companies Agency Inc. (“Cameron Agency”).

**a. Sale of Cameron’s Mutual’s Subsidiary, Cameron National**

In March 2024, the Receiver initiated a bid process to sell Cameron National. Through this process, the Receiver received five timely bids by the March 29, 2024 deadline. The Receiver reviewed all five bids and selected the winning bid because it was substantially better than all other bids submitted. The Receiver awarded the winning bid to SurSafe Insurance Company f/k/a Bedrock Insurance Company (“Bedrock”), a wholly owned subsidiary of Mutual Alliance Holdings, Inc. (“Holdings”). Bedrock assigned its bid rights to Holdings, making Holdings the purchaser (“Buyer”) of Cameron National. Following arm’s length negotiations, the Liquidator entered into a Stock Purchase Agreement with Buyer, subject to review and approval by the Liquidation Court.

The Receiver filed a Motion to Approve Sale of Cameron National (“Sale Motion”), which the Court granted on September 26, 2014. The close of the sale is subject to certain conditions, including regulatory approval of the sale which is still pending. The Receiver will file with the Court a notice of closing within five business days of closing of the sale transaction. The sale is expected to bring into the Estate approximately \$750,903.06 for the six per-state insurance licenses held by Cameron National and \$2,995,577.00 for its capital and surplus, plus interest that has accrued on the capital and surplus from December 1, 2023 to the date of closing of the sale, for a total of \$3,746,480.06, plus interest. Pursuant

to the Court's Order granting the Sale Motion, the Rehabilitation Order pertaining to Cameron National will terminate immediately upon the closing.

**b. Cameron Agency**

Cameron Agency's operations are limited to collecting commissions in relation to a Collaboration and Transition Agreement ("Collaboration Agreement") entered into in 2010 between Cameron Agency and Group Benefits Ltd ("GBL"). According to Cameron Agency's most recent financial statements as of September 30, 2024, Cameron Agency has \$45,115 in assets (cash) and liabilities of \$2,020 for taxes. Cameron Agency has been paid a total of \$1,991 in commissions year to date through September 30, 2024 under the Collaboration Agreement. The Receiver is still evaluating a plan for disposition of Cameron Agency.

**c. Sale of Office Furniture and Equipment**

The Receiver has disposed of the vast majority of Cameron Mutual's office furniture and equipment through sales resulting in \$55,354 paid to the Estate and donation of items which could not be sold. The remaining office furniture and equipment is being utilized by the Estate in a leased facility as a part of the wind-down operations.

**IV. Update on Proof of Claim Process**

On March 26, 2024, the Court approved an extension of the deadline to file a proof of claim with the Receiver from March 29, 2024 to December 31, 2024. The Receiver continues to receive proofs of claim. To date, approximately 2,735 proofs of claim have been filed with the Receiver, which the Receiver is still in the process of reviewing as required by § 375.1220.1, RSMo. In reviewing the proofs of claim, the Receiver will

determine whether the respective claims should be allowed or denied. When a claim is denied, in whole or in part, the Receiver will send written notice of the claim determination to the claimant, providing the claimant 60 days to file an objection to the denial. § 375.1214.1, RSMo. If no objection is made by the claimant, the determination will become final. *Id.*

## **V. Financial Update**

Under § 375.1176.6 and Court's Order Approving Receivership Procedures, p. 2 ¶ b(i), the Receiver is to file updated financial statements for Cameron Mutual with the Court on or by December 1, 2024. On December 2, 2024, the Court entered an Order extending the deadline to December 31, 2024, for the Liquidator to file her Third Status Report and financial statements. The Liquidator is filing under seal as Exhibit A to this Status Report the most recently prepared financial statement for Cameron Mutual.

### **a. Recoveries**

The Receiver and her staff continue to collect amounts owed to the Cameron Mutual Estate, including for salvage and subrogation, reinsurance, and other premiums. Between December 1, 2023 and June 30, 2024, the Receiver collected \$160,668 in salvage and subrogation recoveries; \$3,000,984 in reinsurance recoveries; and \$492,237 in premiums.

Several insurance producers owe Cameron Mutual for return of commissions due to early termination of the policies ("unearned commissions"). The unearned commissions are a significant asset to the Liquidation Estate totaling approximately \$513,962. The Receiver and her staff are working to collect outstanding amounts owed by agents to the Cameron Mutual Estate.

The Receiver and her staff are continuing to review possible causes of action that the Estate may have and determine whether it would be cost effective to pursue any potential claims that may exist.

**b. Cost Reductions**

Effective July 31, 2024, the Receiver terminated Cameron Mutual's lease for its office facilities under which the monthly lease rate was \$8,662.50. The Receiver leased a smaller space at the same building for a lower lease rate of \$870.00 per month. The Receiver has terminated various contracts pursuant to her authority under §§ 375.1182.1(11) and 375.1184, RSMo, as a part of the wind down activities and to reduce administrative expenses. The number of Cameron Mutual employees has continued to decline. Cameron Mutual currently has four full-time employees, three part-time employees until December 31, 2024, and consulting arrangements with two former employees.

The Receiver will continue to provide periodic updates to the Liquidation Court on material developments.

Respectfully submitted,

Shelley L. Forrest

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**ATTORNEYS FOR THE RECEIVER**



### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that December 23, 2024, a copy of the foregoing was electronically filed with the Clerk of the Court via the Court's Case.net system, which will provide notice of same to all counsel of record and via email to the following:

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