

IN THE CIRCUIT COURT OF COLE COUNTY, MISSOURI

ANGELA L. NELSON, Director,
Department of Commerce and Insurance of the
State of Missouri,

Plaintiff,

v.

CAMERON MUTUAL INSURANCE COMPANY,

Defendant.

Case No. 23AC-CC04735

**MOTION FOR APPROVAL
OF FIRST EARLY ACCESS DISTRIBUTION**

COMES NOW Angela L. Nelson, in her capacity as liquidator (“Liquidator”) of Cameron Mutual Insurance Company (“Cameron Mutual”), and requests the Court enter an Order allowing payment from the Cameron Mutual estate (“Estate”) of a first early access distribution in the amount of \$4,000,000, of which \$3,330,580.55 would be paid to the Missouri Property and Casualty Insurance Guaranty Association (“Missouri GA”), \$188,425.11 would be paid to the Iowa Insurance Guaranty Association (“Iowa GA”), and \$480,994.34 would be paid to the Arkansas Property & Casualty Guaranty Fund (“Arkansas GA”) (the “Participating Associations”) as a pro rata distribution. In support of this Motion, the Liquidator states as follows:

1. Effective December 1, 2023, the Court entered a Judgement, Decree, and Final Order of Liquidation (“Liquidation Order”) of Cameron Mutual, and on December 26, 2023, the Court entered an Order Finding Cameron Mutual Insurance Company Insolvent. The Court appointed the Director of the Missouri Department of Commerce and

Insurance as Liquidator of Cameron Mutual and approved the appointment of Kirsten A. Byrd as the Special Deputy Liquidator.¹

2. Prior to the entry of the Liquidation Order, Cameron Mutual wrote insurance in Iowa, Arkansas, and Missouri. All Cameron Mutual policies terminated pursuant to the Liquidation Order by no later than December 31, 2023. As a result of the Liquidation Order, the Participating Associations have obligations, subject to statutory conditions and limitations on coverage and applicability, to policyholders who reside within their respective jurisdictions.

The Court Previously Approved the Liquidator's Agreement with the Participating Associations and Plan for Disbursements Under § 375.1205

3. On December 12, 2024, the Liquidator entered into an Early Access Agreement with the Participating Associations which requires Participating Associations:

- a. Upon notice, return to the Liquidator such assets from prior early access distribution(s) as may be needed to ensure compliance with the priority distribution statute, § 375.1218; and
- b. To provide reports to the Liquidator accounting for any disbursements pursuant to § 375.1205.2(5).

Exhibit A at Clause 3, pp. 3-4.

4. On December 17, 2024, the Liquidator filed a Motion to Approve Proposal for Early Access Disbursements ("Early Access Plan"), including the Early Access Agreement under § 375.1205, RSMo. The Court entered an order approving the Early

¹ References herein to the Liquidator include the Special Deputy Liquidator.

Access Plan and Early Access Agreement on December 24, 2024. The Liquidator incorporates by reference the Early Access Plan as if fully set forth herein.

The Proposed Distribution is Timely, Accounts for Higher Priority Class 1 Expenses, and Will Partially Satisfy the Participating Associations' Class 2 Policy Claims

5. The Act requires that the “[i]nitial disbursement of the assets marshaled to date... shall be made as soon as practicable and in any case not later than one hundred twenty days after the approval of the early access plan, and subsequent disbursements of assets which shall be at least annually.” § 375.1205.2(2), RSMo. The Court extended the deadline for the Liquidator to seek approval of the initial disbursement to June 30, 2025, to allow for sufficient time for the Liquidator to determine the amount that should be reserved for Class 1(f) GA expense claims. Thus, this Motion and the proposed distribution are timely.

6. Under § 375.1205.2(1), RSMo, and the Early Access Plan, the Liquidator must hold in the Estate funds necessary to satisfy all anticipated Class 1 expenses under § 375.1218, RSMo, and payment of claims of secured creditors before making any early access distribution. Effective under a 2018 amendment to that statute, Class 1 expenses include as Class 1(f) the “reasonable expenses” of the Participating Associations, “including overhead, salaries, and other general administrative expenses allocable to the receivership.”

7. As set forth in the Estate’s most recent financial statement at December 31, 2024 and filed under seal as Exhibit , the Liquidator estimates total Class 1 administrative expenses and costs through conclusion of the liquidation and the amount of secured claims

to be \$6,649,245 which includes a projection of the *non-adjudicated*, potential Class 1(f) expense claims² in the amount of \$2,479,779³ and secured claims in the amount of \$11,284. There are sufficient assets in the Estate to pay an early access distribution and to cover the projected Class 1 expenses and secured claims.

8. Under the Early Access Agreement, the Liquidator must determine the market value of “Available Assets” from which an early access distribution may be made. “Available Assets” *exclude* assets reserved for Class 1 expenses and are the “assets...as of the time of a proposed disbursement and which, if not in the form of cash or cash equivalents, are readily marketable and in the opinion of the Liquidator could be liquidated for a price that would not result in obtaining less than market value for said assets.” The Liquidator has determined the market value of “Available Assets” for purposes of evaluating a distribution is \$4,000,000.

9. Under the statute, an early access distribution should be in an amount “at least equal to the sum of claims payments and allocated [loss] adjustment expenses of each guaranty association, and a reasonable estimate of reserves for unpaid but known loss

² The projected Class 1(f) expense claim amount is based on early and limited information from the Participating Guaranty Associations. The Liquidator has not yet determined what amount should be allowed for Class 1(f) reasonable expenses, and it is possible the Court will need to resolve the matter. For that reason, the Liquidator is merely projecting the amount of the potential Class 1(f) claims based on information to date, not the amount that is “reasonable.”

³ Cameron Mutual’s historic administrative expenses were, on average, 9.6% of its total of policy loss payments and loss adjustment expenses (“LAE”) during the three years preceding its receivership. Based on Guaranty Association data, 9.6% of the projected total loss and LAE is \$1,261,708. The Missouri GA’s administrative expense claim is estimated to be 11.2% of its policy payments and LAE; the Iowa GA’s administrative expense claim is estimated to be 21%; and the Arkansas GA’s administrative expense claim is estimated to be 35%. The Liquidator recognizes that, when one drills down into the details, the comparisons to Cameron Mutual’s 9.6% is not a pure apples-to-apples comparison, but the bigger point is to alert the Court to the significant disparity in the calculated amounts recognizing that this is an issue that will need to be resolved in the future.

claims and allocated loss adjustment expenses to be paid within one year...” § 375.1205.4, RSMo.

10. The Participating Associations provide through the Uniform Data System (“UDS”) a standardized, quarterly report which reflects their policy loss payments and loss adjustment expenses (the “D Report”). According to the Participating Associations’ most recent D Reports at March 31, 2025, the Participating Associations have paid Cameron Mutual policy claims and LAE in the total amount of \$6,908,859, of which the Missouri GA has paid 83%, the Iowa GA has paid 5%, and the Arkansas GA has paid approximately 12%. The claims amounts have not been audited or verified—they are being used exclusively for making the calculations necessary for this initial, pro rata disbursement.

11. The Liquidator requests that the Court find that the Liquidator’s reference to the Participating Associations’ reported payments and expenses, and the Liquidator’s reserve for potential Class 1(f) expenses, does not constitute approval of the Participating GA’s claims, expenses, or reports. As provided in § 3.4 of the Early Access Agreement, the Liquidator will review the Participating Associations’ proofs of claim in accordance with §§ 375.1218(2) and 375.1220, RSMo, and otherwise as required or permitted under Missouri law or procedures approved by the Court.

12. The Liquidator proposes an initial disbursement of \$4,000,000, which is less than the Participating Associations’ policy claims and LAE reported through March 31, 2025, i.e., \$6,908,859. If the Court approves the proposed distribution of \$4,000,000, that will result in the Participating Associations receiving approximately 58% of their policy and LAE payments through March 31, 2025.

13. The bar date for filing a proof of claim against the Cameron Mutual Estate was December 31, 2024. The amount of Class 2 over-limit claims is currently estimated to total \$1,793,958. Based on these facts and projections, the Liquidator believes there will be sufficient assets remaining in the Cameron Mutual Estate after the proposed distribution to satisfy future Class 1 administration claims and to make an equal, *pro rata* distribution to all Class 2 claimants. Upon information and belief, the proposed initial early access distribution to the GAs will not pose a risk of depleting the Estate or compromising future distributions to Class 1 and 2 claimants.

Notice

14. Section 375.1205.6, RSMo, requires the Liquidator to give at least 30 days' notice of this Motion to the Participating Associations and the commissioner of the insurance departments for each of the involved states by United States mail, certified delivery, first class postage prepaid. The Liquidator has provided notice of this Motion to the same by email, and each has confirmed that they waive the requirement for 30 days' written notice by U.S. mail, certified mail.

Conclusion and Requested Relief

The Cameron Mutual Estate has sufficient assets to make an early access distribution, with the anticipation that there will be sufficient assets to cover all Class 1 administrative expense claims of the Estate and all Class 2 policy claims which have the same priority as the Participating Associations' Class 2 claims. If the Estate does not have sufficient funds to cover all administrative expenses or make an equal *pro rata* distribution to all Class 2 claimants, the Early Access Agreement requires that, upon appropriate written

demand, the Participating Associations will return to the Estate the portion of an early access distribution that is needed to pay all administrative expenses and make an equal *pro rata* distribution to all Class 2 claimants. *See* Ex. A, Early Access Agreement, at § 3.1.

WHEREFORE, the Liquidator requests that this Court enter an Order which:

- Authorizes the Liquidator to make an initial early access distribution in the amount of \$4,000,000, of which \$3,330,580.55 would be paid to the Missouri GA, \$188,425.11 would be paid to the Iowa GA, and \$480,994.34 would be paid to the Arkansas GA within fourteen days following entry of an Order Approving First Early Access Distribution;
- Determining that the Liquidator's reference to the Participating Associations' reported payments, claims, and expenses, and the Liquidator's reserve for potential Class 1(f) claims, does not constitute approval of the Participating GA's claims, expenses, or claims; and
- Granting all other relief in favor of the Liquidator which this Court deems just and equitable.

Respectfully submitted,

/s/ Shelley L. Forrest

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CERTIFICATE OF SERVICE

The undersigned certifies that on June 26, 2025, a copy of the foregoing was emailed to the following:

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