Agent Status Update on Cameron Mutual Insurance Company (Aug. 2023) (Amended 9/8/2023 to Confirm Payment of at least \$10,000 for Premium Refunds for Cancelled Policies and the Process for Claims Processing and Payment)

This is an update on Cameron Mutual's Court-Ordered Rehabilitation. On August 7, 2023, the Cole County Circuit Court placed Cameron Mutual under an Order of Rehabilitation because Cameron Mutual was in a hazardous financial condition. Under the Order of Rehabilitation and Missouri law, Chlora Lindley-Myers, the Director of the Missouri Department of Commerce and Insurance, serves as the Rehabilitator of Cameron Mutual. As you may already know, well before the Order of Rehabilitation, Cameron Mutual began the process of winding down its insurance operations. The Board of Directors for Cameron Mutual consented to the Order of Rehabilitation and resigned prior to entry of the Order of Rehabilitation. The Rehabilitator provides the following answers to questions that you may have.

What will happen during Cameron Mutual's rehabilitation proceedings? Cameron Mutual will wind down its insurance operations as expeditiously as possible through the following steps:

- Continue to non-renew all policies;
- Prohibit any new policies;
- o Prohibit policy amendments that would add new risk unless required by law;
- o Resolve claims as expeditiously and cost-effectively as possible;
- Evaluate the financial condition of the company to determine if the company is solvent and has sufficient assets to pay policyholder and other claims; and
- o Provide periodic status reports to the Court and other stakeholders, including agents.

How will the rehabilitation impact the resolution of claims? During rehabilitation, insurance claims will continue to be processed in the normal course subject to oversight by the Rehabilitator and her staff. Claims approved for payment will be paid as quickly as possible.

What if the company is determined to be insolvent? If it is determined that Cameron Mutual is insolvent, then the Rehabilitator will petition the Court to have the matter converted to a court-supervised liquidation where claims are paid in accordance with Missouri's priority distribution statute. Mo. Rev. Stat. § 375.1218. It is simply too early for the Rehabilitator to determine whether Cameron Mutual can be completely wound down in rehabilitation or if a liquidation proceeding will be necessary. However, if the company goes into liquidation:

- Notice will go out to all known creditors of the liquidation and the process to submit a claim (also known as a "proof of claim") against the Estate.
- All policies will terminate 30 days after the Court enters an order of liquidation as a matter of law
- o Policyholder claims will be handled by state guaranty associations under their relevant statutes.
- Agents and other creditors may be required to file a proof of claim in the liquidation proceeding for unpaid commissions, and such claims would be paid only after policyholder and other higher priority claims under state law have been paid.

Will I receive commissions during rehabilitation? It is too early to tell. Payment of policyholder claims is of paramount concern to the Rehabilitator at this juncture. Consequently, commission payments will be held while the Rehabilitator evaluates the condition of the company. If all policyholder claims can be paid, the Rehabilitator will evaluate payment of other creditor claims, including agent commission claims. The Rehabilitator will provide updates to the Court and other stakeholders during the process.

Can new risks be added to policies during rehabilitation? Generally, no. During rehabilitation, no new risks will be added to policies unless required by law and if so, only for the period required by law. For example, a policyholder cannot add buildings or sites to existing property policies; no new drivers may be added to existing auto policies; etc.

Should I encourage existing policyholders to switch carriers during rehabilitation? Yes, but please note that the Rehabilitator has authorized Cameron Mutual to pay unearned premium refunds on any policy cancelled before the policy termination date up to at least \$10,000 as she continues to evaluate the financial condition of the company. By way of background, Cameron Mutual was winding down its insurance business before it went into rehabilitation and that wind-down process continues. Given Cameron Mutual's uncertain financial condition, customers should seek to move their business to another insurer. Cameron Mutual will continue to accept claims under existing policies for those customers who elect to maintain their coverage.

What is the status of the Partnership in Profit Sharing Plan? You are hereby notified that effective immediately the Rehabilitator is terminating all Partnership in Profit Sharing Plans with agents. Similar to commissions, any monies that may be owed to you prior to the plan termination will be held while the Rehabilitator evaluates the condition of the company.

Personnel changes and questions: There have been many employee departures as the company started to terminate its various lines of business and once the company was placed in rehabilitation. Susan Wollenberg will answer day-to-day operational questions or work with the Rehabilitator and her staff to answer those questions. You should direct any questions to Susan, but if you have any remaining questions or concerns, you may contact Shelley Forrest at (573) 751-5121 or Kirsten Byrd at 816-983-8384.