

IN THE CIRCUIT COURT OF COLE COUNTY, MISSOURI

CHLORA LINDLEY-MYERS, DIRECTOR)
MISSOURI DEPARTMENT OF COMMERCE)
AND INSURANCE,)
)
Plaintiff,)
v.)
)
LUMBERMEN'S UNDERWRITING ALLIANCE,)
)
Defendant.)

Case No.: 15AC-CC00224

ORDER APPROVING ARIZONA SPECIAL DEPOSIT RELEASE AGREEMENT

Now on this 9th day of June, 2023, the Court, having heard the Plaintiff's Motion for Approval of Arizona Special Deposit Release Agreement ("Agreement") entered into by and between Chlora Lindley-Myers, Director, Missouri Department of Commerce and Insurance, in her capacity as Liquidator ("Liquidator") of Lumbermen's Underwriting Alliance ("LUA" or the "Estate") and Hon. Barbara D. Richardson, Director of the Arizona Department of Insurance and Financial Institutions ("Director"), attached to the Liquidator's Motion as Exhibit A, and being well and sufficiently advised does find and conclude as follows:

THE COURT FINDS

1. On May 23, 2016, this Court entered a Judgment, Decree and Order of Liquidation with Finding of Insolvency (the "Liquidation Order") against LUA, and placed LUA into liquidation.

2. Pursuant to the Liquidation Order and the Insurers Supervision, Rehabilitation and Liquidation Act, Mo. Rev. Stat. §§ 375.1150 et seq. (the "Liquidation Act"), the Liquidator acts for and on behalf of LUA and is vested by operation of law with title to all of the property,

contracts, rights of action, books and records of LUA, and is administering them under the general supervision of the Court. The Liquidation Order and the Liquidation Act also direct the Liquidator to (a) identify, marshal and liquidate the assets of the Estate; (b) process and evaluate claims to determine the liabilities of the Estate; and (c) distribute assets to claimants of the Estate in accordance with Mo. Rev. Stat. § 375.1218.

3. Prior to the Liquidation Order, LUA made a special deposit in trust for the benefit of policyholders and creditors pursuant to Arizona Law. The special deposit is currently being held in the approximate amount of \$8,994,491 (the “Special Deposit”).”

4. The Liquidator states that the only known Arizona claims are those of the Arizona Property & Casualty Insurance Guaranty Fund (“Fund”), and that there are no other known Arizona liabilities or creditors of LUA of any priority class.

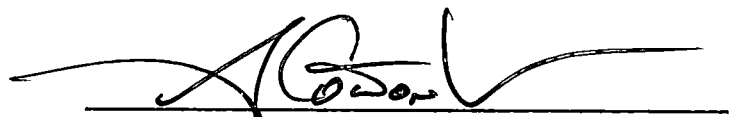
5. The Liquidator and the Director entered into the Agreement for the purposes of (1) releasing a portion of the Special Deposit proceeds to reimburse the Fund for claims payments made by the Fund, (2) releasing a portion of the Special Deposit in the amount of the reserves established by the Fund for the payment of all remaining claims of the Insurer’s Arizona policyholders and claimants, that portion to be held by the Fund, and (3) disbursing the remaining balance to the Liquidator.

6. The Liquidator believes the release of the Special Deposit and disposition of the funds as set forth in the Agreement is in the best interests of all policyholders and creditors of LUA.

IT IS HEREBY ORDERED, ADJUDGED DECREED that:

1. The Arizona Special Deposit Release Agreement is in the best interests of all LUA and the creditors of LUA; and

2. The Arizona Special Deposit Release Agreement is approved; and
3. The Liquidator is authorized to enter such other agreements and take such other actions as may be necessary to effectuate the Arizona Special Deposit Release Agreement without further approval of the Court; and
4. In all respects, the conduct and actions of the Liquidator, her employees, agents and counsel in connection with the Arizona Special Deposit Release Agreement, is affirmed and approved in all respects; and
5. There is no just reason for delay and this Order constitutes a final judgment fully resolving all issues relating to the Arizona Special Deposit Release Agreement.



Honorable S. Cotton Walker, Circuit Court Judge
19th Judicial Circuit, Division III