



WRC and 1st Auto Liquidation

Wisconsin Reinsurance Corporation (WRC) is a property and casualty reinsurance company whose clients were mutual insurance companies located in Wisconsin, Arkansas, Illinois, Iowa, Missouri, and South Dakota. As part of WRC, 1st Auto & Casualty Insurance Company (1st Auto) offered direct coverage for personal auto, business auto, and personal/farm umbrella.

The Office of the Commissioner of Insurance (OCI) determined it was appropriate to take action to protect 1st Auto's policyholders and town mutual insurers who get reinsurance from WRC when the companies reported that they did not have the financial stability to continue operating and meeting their obligations in the future. On May 23, 2023, OCI filed a petition with the Dane County Circuit Court to place WRC and 1st Auto into rehabilitation. On November 1, 2023, OCI ultimately filed a Petition for an Order of Liquidation against WRC and 1st Auto. The Dane County Circuit Court ordered liquidation effective January 1, 2024.

Liquidation Process

Liquidation is a type of receivership that is ordered by a Court when companies become insolvent. The liquidation order and declaration of insolvency trigger obligations of state property and casualty guaranty associations to help protect policyholders.

Justin Schrader has been appointed to serve as the Special Deputy Liquidator (SDL) to assist OCI in the process. Learn more about the status of the liquidation at oci.wi.gov/WRC. The SDL, under the direction of OCI, institutes a claim filing process, adjudicates filed claims, and distributes funds to claimants in accordance with Chapter 645 of the Wisconsin Statutes.

How might your constituents be impacted?

1st Auto policy coverage terminated on January 17, 2024. As of January 1, 2024, 85% of 1st Auto policies in Wisconsin had been cancelled by the policyholder or their agent but some of your constituents who didn't take proactive action on their auto coverage before it was terminated, may now be in need of auto coverage. The [Wisconsin Auto Insurance Plan at waip.org](https://waip.org) provides auto insurance to people who are unable to find other coverage at any price. Any licensed agent can provide a quote and submit applications for coverage with this Plan.

Claims filed against WRC or 1st Auto are handled by the Special Deputy Liquidator and should be filed as soon as possible with a deadline July 1, 2024. Proof of Claim forms are available at oci.wi.gov/WRC.

Resources for Constituents

[Frequently Asked Questions](#)

[1st Auto Proof of Claim Instructions](#)

[1st Auto Proof of Claim](#)

[Wisconsin Insurance Security Fund \(WISF\) FAQ](#)

Constituent Contacts

Legislative offices with questions regarding the liquidation of WRC and 1st Auto may contact Jeff Grothman at jeff.grothman@wisconsin.gov or Sarah Smith at sarah.smith2@wisconsin.gov.