

FILED
05-31-2022
CIRCUIT COURT
DANE COUNTY, WI
2019CV001209



Wisconsin Office of the
COMMISSIONER OF INSURANCE
LEGAL UNIT

Tony Evers, Governor of Wisconsin
Nathan Houdek, Commissioner of Insurance

May 31, 2022

VIA E-Filing ONLY

Honorable Steven Ehlke
215 S. Hamilton Street
Madison, WI 53703

RE: Liquidation of Northwestern National Insurance Company of Milwaukee, WI ("NNIC")
Case No. 2019CV001209

Dear Judge Ehlke,

Please find NNIC's Financial Statements as of March 31, 2022 for filing.

Sincerely,

A handwritten signature in black ink that reads "Julie E. Walsh".

Julie E. Walsh
Senior Attorney
Wisconsin Office of the Commissioner of Insurance

FILED
05-31-2022
CIRCUIT COURT
DANE COUNTY, WI
2019CV001209

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

In the Matter of the Liquidation
2019CV001209

Case No.

of Northwestern National Insurance Company
of Milwaukee, Wisconsin

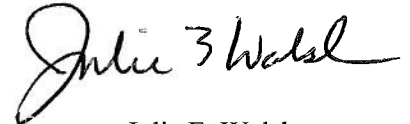
Code No. 30703

NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE ("NNIC")
FINANCIAL STATEMENT AS OF MARCH 31, 2022

Dated: May 31, 2022

Julie E. Walsh
Senior Attorney

Attorney for the Commissioner of
Insurance of the State of Wisconsin,
as Liquidator of NNIC



Julie E. Walsh
State Bar No. 1026158
125 S. Webster Street
Madison, WI 53703
(608) 264-8101

**QUARTERLY FINANCIAL STATEMENT OF THE LIQUIDATION OF NORTHWESTERN
NATIONAL INSURANCE COMPANY OF MILWAUKEE WISCONSIN AS OF MARCH 31,
2022.**

Prepared by:

**The Wisconsin Office of the Commissioner of Insurance as the
Court-Appointed Liquidator of Northwestern National Insurance Company of Milwaukee**

Dated: May 31, 2022

Disclaimer: *This Financial Statement prepared by the court-appointed Liquidator of Northwestern National Insurance Company ("NNIC"), updates the Court on the financial status of NNIC as of March 31, 2022.*

This financial report may not be relied upon for any purpose other than to obtain information about the status of the Liquidation Proceedings generally. Nothing contained herein will constitute an admission of any fact or of any liability by any party with regard to any claim or litigation, including, but not limited to, any proceedings involving the Liquidation or any other party, or any proceeding with respect to any legal effects of the Liquidator or the NNIC accounts.

The Liquidator does not make any warranty, express or implied, as to the accuracy or completeness of the information contained herein.

**Northwestern National Insurance Company
Financial Statements
March 31, 2022**

Northwestern National Insurance Company
Statement of Admitted Assets, Liabilities & Policyholders' Surplus
March 31, 2022

ADMITTED ASSETS			
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	
CASH & INVESTMENTS:			
Cash	2,942,870	2,897,426	
Restricted Cash **	1,462,179	1,462,179	
Restricted Bonds **	529,452	528,426	
Total Cash & Investments	<u>\$ 4,934,501</u>	<u>\$ 4,888,031</u>	
Accrued Investment Income	9,669	6,605	
TOTAL ADMITTED ASSETS	<u>\$ 4,944,170</u>	<u>\$ 4,894,636</u>	
LIABILITIES & POLICYHOLDERS' SURPLUS			
LIABILITIES:			
Distribution Class 1- Unpaid LAE Reserves	271,016	271,016	
Distribution Class 1 - Unpaid Admin Expenses (P&C)	1,265,105	1,265,105	
Distribution Class 1 - Unpaid Admin Expenses (Life and Health)	2,232,468	2,232,468	
Distribution Class 3 - Unpaid Case Loss Reserves (P&C)	10,367,551	10,367,551	
Distribution Class 3 - Unpaid Case Loss Reserves (Life and Health)	4,801,526	4,801,526	
Distribution Class 3 - Unpaid GA Paid Losses (P&C)	2,882,987	2,882,987	
Distribution Class 3 - Unpaid GA Paid Losses (Life and Health)	1,158,489	1,158,489	
Distribution Class 3 - Unpaid Proof of Claims	657,388,741	657,388,741	
Distribution Class 4 - Unearned Premiums	123,688	123,688	
Distribution Class 5 - Other Claimant Liabilities	5,364,460	5,364,460	
Distribution Class 5 - Unpaid Proof of Claims	33,949	33,949	
Funds Held	1,837,722	1,837,722	
Other Payables	2,041	2,041	
Total Liabilities	<u>\$ 687,729,744</u>	<u>\$ 687,729,744</u>	
SURPLUS:			
Policyholders' Surplus (Deficit) - Beginning	(682,835,107)	(22,012,869)	
Change in Compass Insurance Company	-	-	
Net Income (Loss)	49,533	(660,822,238)	
Total Policyholders' Surplus (Deficit) - Ending	<u>\$ (682,785,574)</u>	<u>\$ (682,835,107)</u>	
TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS (DEFICIT)	<u>\$ 4,944,170</u>	<u>\$ 4,894,636</u>	

** Restricted cash and bonds are held by various states that are not being released to the estate for claims paying resources.

Northwestern National Insurance Company
Statement of Operations
March 31, 2022

	For the Period ended March 31, 2022	For the year ended December 31, 2021
NET PREMIUMS EARNED:	\$ -	\$ -
NET LOSSES AND LAE INCURRED:		
Net Losses Paid - P&C	-	484,445
Net Losses Paid - L&H	-	1,158,489
Change in Unpaid Losses and IBNR - P&C	-	1,054,992
Change in Unpaid Losses and IBNR - L&H	-	9,068
Change in Unpaid Proof of Claims	-	657,422,690
Change in Unpaid LAE and IBNR - P&C	-	(55,561)
Total Net Losses and LAE Incurred	\$ -	\$ 660,074,122
OPERATING EXPENSES:		
Salaries and Wages	4,142	17,497
Travel and Meetings	-	181
Rent	-	6,268
Office Costs	5,456	40,818
Legal and Consulting Fees	8,100	198,105
Service Fees	2,660	339,424
Investment Funds Seized by the State	-	500,873
Other Expenses (Income)	-	9,549
Total Operating Expenses	\$ 20,357	\$ 1,112,715
UNDERWRITING LOSS	\$ (20,357)	\$ (661,186,837)
INVESTMENT & OTHER INCOME:		
Interest Income	3,391	(5,559)
Realized Gain (Loss) on Investments	-	171,523
Funds Received from Redemption of Letters of Credit	66,500	198,634
Total Investment & Other Income (Loss)	\$ 69,891	\$ 364,598
NET INCOME (LOSS)	\$ 49,533	\$ (660,822,239)