

FILED
11-15-2022
CIRCUIT COURT
DANE COUNTY, WI
2019CV001209

STATE OF WISCONSIN : CIRCUIT COURT : DANE COUNTY
BRANCH 15

In the Matter of the Liquidation of Northwestern
National Insurance Company of Milwaukee,
Wisconsin:

Case No. 2019-CV-1209

Case Code: 30703

c/o: Office of the Commissioner of Insurance
125 South Webster Street
Madison, WI 53703

**NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE (“NNIC”)
FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2022**

Dated at Madison, Wisconsin, this 15th day of November, 2022.

Respectfully submitted,

GODFREY & KAHN, S.C.

By: Electronically signed by James A. Friedman
James A. Friedman
Zachary P. Bemis
Attorneys for Petitioner Mark Afable,
Commissioner of Insurance of the State of
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**Northwestern National Insurance Company
Financial Statements
September 30, 2022**

Northwestern National Insurance Company
Statement of Admitted Assets, Liabilities & Policyholders' Surplus
September 30, 2022

ADMITTED ASSETS		
	<u>September 30, 2022</u>	<u>December 31, 2021</u>
CASH & INVESTMENTS:		
Cash	2,138,358	2,897,426
Restricted Cash **	1,465,342	1,462,179
Restricted Bonds **	531,538	528,426
Total Cash & Investments	<u>\$ 4,135,237</u>	<u>\$ 4,888,031</u>
Accrued Investment Income	13,282	6,605
TOTAL ADMITTED ASSETS	<u>\$ 4,148,519</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	888,573	1,837,722
Other Payables	2,041	2,041
Total Liabilities	<u>\$ 686,780,595</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)	203,031	(660,822,238)
Total Policyholders' Surplus (Deficit) - Ending	<u>\$ (682,632,076)</u>	<u>\$ (682,835,107)</u>
TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS (DEFICIT)	<u>\$ 4,148,519</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
September 30, 2022

	<u>For the Period ended</u> <u>September 30, 2022</u>	<u>For the year ended</u> <u>December 31, 2021</u>
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	<u>\$ -</u>	<u>\$ 660,074,122</u>
OPERATING EXPENSES:		
Salaries and Wages	11,035	17,497
Travel and Meetings	-	181
Rent	-	6,268
Office Costs	17,515	40,818
Legal and Consulting Fees	37,478	198,105
Service Fees	26,610	339,424
Investment Funds Seized by the State	-	500,873
Other Expenses (Income)	-	9,549
Total Operating Expenses	<u>\$ 92,638</u>	<u>\$ 1,112,715</u>
UNDERWRITING LOSS	<u>\$ (92,638)</u>	<u>\$ (661,186,837)</u>
INVESTMENT & OTHER INCOME:		
Interest Income	11,578	(5,559)
Realized Gain (Loss) on Investments	-	171,523
Miscellaneous Income	7	-
Funds Received from Redemption of Letters of Credit	284,085	198,634
Total Investment & Other Income (Loss)	<u>\$ 295,670</u>	<u>\$ 364,598</u>
NET INCOME (LOSS)	<u>\$ 203,031</u>	<u>\$ (660,822,239)</u>