

**FILED**  
**05-12-2021**  
**CIRCUIT COURT**  
**DANE COUNTY, WI**  
**2019CV001209**

**Northwestern National Insurance Company**  
**Statement of Admitted Assets, Liabilities & Policyholders' Surplus**  
**December 31, 2020**

**ADMITTED ASSETS**

|  | <b>CURRENT YEAR<br/>MONTH END</b> | <b>PRIOR YEAR<br/>YEAR END</b> |
|--|-----------------------------------|--------------------------------|
| <b>CASH &amp; INVESTMENTS:</b>           |                                   |                                |
| Cash                                     | 2,271,085                         | 2,188,505                      |
| Restricted Cash                          | 1,261,422                         | 1,208,901                      |
| Escrowed Court Funds                     | 760,590                           | 760,590                        |
| Bonds                                    | 1,879,043                         | 2,059,542                      |
| Investment in Compass Insurance Company  | -                                 | 5,861,841                      |
| Total Cash & Investments                 | <u>\$ 6,172,140</u>               | <u>\$ 12,079,379</u>           |
| Accrued Investment Income                | 20,294                            | 23,255                         |
| Reinsurance Recoverable on Paid Losses   | 2,288                             | 179,877                        |
| Premium Receivables                      | -                                 | 4,336                          |
| Recoverable on Unpaid Case Loss Reserves | \$ -                              | \$ 4,000,000                   |
| <b>TOTAL ADMITTED ASSETS</b>             | <u><b>\$ 6,194,722</b></u>        | <u><b>\$ 16,286,847</b></u>    |

**LIABILITIES & POLICYHOLDERS' SURPLUS**

|   |                            |                             |
|---|----------------------------|-----------------------------|
| <b>LIABILITIES:</b>   |                            |                             |
| Distribution Class 1 - Unpaid LAE Reserves                                  | 326,578                    | 489,158                     |
| Distribution Class 1 - Unpaid Admin Expenses (P&C)                          | 1,417,261                  | 572,310                     |
| Distribution Class 1 - Unpaid Admin Expenses (Life and Health)              | 1,976,327                  | -                           |
| Distribution Class 3 - Unpaid Case Loss Reserves (P&C)                      | 9,312,560                  | 7,404,489                   |
| Distribution Class 3 - Unpaid Case Loss Reserves (Life and Health)          | 4,792,458                  | -                           |
| Distribution Class 3 - Unpaid GA Paid Losses (P&C)                          | 1,881,591                  | 715,726                     |
| Distribution Class 3 - Unpaid GA Paid Losses (Life and Health)              | 1,172,928                  | -                           |
| Distribution Class 4 - Unearned Premiums                                    | 123,688                    | 123,688                     |
| Distribution Class 5 - Other claimant liabilities                           | 5,364,460                  | 9,271,246                   |
| Distribution Class 5 - Unpaid Case Loss Reserves - Compass Assumed Business | -                          | 46,630                      |
| Funds Held  | 1,837,699                  | 1,964,889                   |
| Total Liabilities   | <u>\$ 28,207,591</u>       | <u>\$ 20,588,137</u>        |
| <b>SURPLUS:</b>   |                            |                             |
| Policyholders' Surplus (Deficit) - Beginning                                | (4,301,290)                | (174,985)                   |
| Change in Compass Ins Co  | 3,701,102                  | (28,824)                    |
| Year-to-Date Net Income (Loss)  | (21,412,681)               | (4,097,481)                 |
| Total Policyholders' Surplus (Deficit) - Ending                             | <u>\$ (22,012,869)</u>     | <u>\$ (4,301,290)</u>       |
| <b>TOTAL LIABILITIES &amp; POLICYHOLDERS' SURPLUS (DEFICIT)</b>             | <u><b>\$ 6,194,722</b></u> | <u><b>\$ 16,286,847</b></u> |

Northwestern National Insurance Company  
**Statement of Operations**  
**December 31, 2020**

|   | 2020 Year-to-<br>Date  | 2019 Year-to-<br>Date |
|---|------------------------|-----------------------|
| <b>NET PREMIUMS EARNED:</b>                                     |                        |                       |
| Total Gross Premiums  | -                      | 113,276               |
| Total Premium Ceded   | -                      | -                     |
| Total Change in Net Unearned Premium                            | -                      | 1,832                 |
| Total Net Premiums Earned                                       | \$ -                   | \$ 115,108            |
| <b>NET LOSSES AND LAE INCURRED:</b>                             |                        |                       |
| Net Losses Paid - P&C   | 994,070                | 995,209               |
| Net Losses Paid - Life and Health                               | 1,172,928              | -                     |
| Change in Unpaid Losses and IBNR - P&C                          | 5,908,071              | (4,824,651)           |
| Change in Unpaid Losses and IBNR - Life and Health              | 4,792,458              | -                     |
| Net LAE Paid  | -                      | 230,476               |
| Change in Unpaid LAE and LAE IBNR - P&C                         | (162,580)              | (2,026,611)           |
| Total Net Losses and LAE Incurred                               | \$ 12,704,946          | \$ (5,625,577)        |
| <b>OPERATING EXPENSES:</b>                                      |                        |                       |
| Salaries and Wages  | 35,704                 | 58,839                |
| Travel and Meetings   | 5,972                  | 9,856                 |
| Rent  | 35,126                 | 80,907                |
| Software and Equipment  | 14,688                 | 17,190                |
| Office Costs  | 523,005                | 159,555               |
| Legal and Consulting Fees                                       | 557,625                | 387,506               |
| Claims System Fees  | -                      | 129,921               |
| Records Management  | -                      | 44,677                |
| Service Fees  | 2,405,242              | 845,858               |
| Distribution Class 5 - Adjustment to other Claimant Liabilities | (3,906,786)            | 9,220,629             |
| Investment Funds seized by the State                            | -                      | 2,529,942             |
| Change in Premium Deficiency Reserve                            | -                      | (3,815,260)           |
| Other Expenses (Income)   | (467,501)              | 27,166                |
| Total Operating Expenses  | \$ (796,924)           | \$ 9,696,786          |
| <b>UNDERWRITING GAIN (LOSS)</b>                                 | <b>\$ (11,908,022)</b> | <b>\$ (3,956,100)</b> |
| <b>INVESTMENT &amp; OTHER INCOME:</b>                           |                        |                       |
| Interest Income   | 58,284                 | 187,535               |
| Realized Gain (Loss) on Investments                             | (9,562,944)            | (328,915)             |
| Total Investment & Other Income (Loss)                          | \$ (9,504,660)         | \$ (141,381)          |
| <b>NET INCOME (LOSS)</b>  | <b>\$ (21,412,681)</b> | <b>\$ (4,097,481)</b> |