

FILED
09-29-2023
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

PLAN OF DISTRIBUTION

NATHAN HOUDEK, Commissioner of Insurance of the State of Wisconsin, as Liquidator of Northwestern National Insurance Company of Milwaukee (“NNIC”), pursuant to Wis. Stat. § 645.46, Wis. Stat. § 645.68, Wis. Stat. § 645.71, chapter 645, in general, and all other applicable laws, and based on the claims paying resources available and incurred administrative costs to date, proposes the following Plan of Distribution for the liquidated estate of NNIC, which is effective as of the date approved by this Court (the “Effective Date”):

1. Eighty-four and three-tenths of a percent (84.3%) of each guaranty association’s administrative costs will be paid except for those guaranty associations that have not released their statutory deposit or when administrative costs were included in amounts retained from statutory deposits by the guaranty associations, in which case the payments will be adjusted based on the statutory deposit.
2. Based on the lack of claims paying resources, no claims determined to be class 3 priority or lower will be paid.
3. The amount of \$150,000.00 and proceeds received relating the sale of Compass Insurance Company (including any break-up fees) will be retained by the OCI for post-liquidation costs, which include but are not limited to document destruction,

accounting fees, legal fees, and insurance regulatory fees, for a period of up to six (6) months from the date of the final liquidation order.

4. Not more than six (6) months after the final liquidation order the Liquidator will make a determination that the distributions required under par. 1 of this Plan of Distribution have been fully made and any funds retained by the Liquidator will be distributed to pay the balance of all outstanding administrative costs to the guaranty associations.
5. If there are not funds available to pay all outstanding administrative costs of the guaranty associations in full, the OCI will equitably distribute any remaining funds to the guaranty associations.
6. If any remaining funds exist after guaranty association administrative costs are reimbursed in full, and the Liquidator determines it would be uneconomic to distribute those funds, such funds will be transferred to the state treasurer for the common school fund pursuant to Wis. Stat. § 645.74.

Dated at Madison, Wisconsin this 29th day of September, 2023.

Respectfully submitted,
GODFREY & KAHN, S.C.

By: Electronically signed by James A. Friedman
James A. Friedman
State Bar No. 1020756
Zachary P. Bemis
State Bar No. 1094291

*Attorneys for Petitioner Nathan Houdek,
Commissioner of Insurance of the State of
Wisconsin*

One East Main Street, Suite 500
P.O. Box 2719
Madison, WI 53701-2719
Phone: 608-257-3911
Fax: 608-257-0609
jfriedman@gklaw.com
zbemis@gklaw.com
29886674