

FILED
12-06-2021
CIRCUIT COURT
DANE COUNTY, WI
2019CV001209

Northwestern National Insurance Company
Financial Statements
September 30, 2021

Northwestern National Insurance Company
Statement of Admitted Assets, Liabilities & Policyholders' Surplus
September 30, 2021

ADMITTED ASSETS		<u>September 30, 2021</u>	<u>December 31, 2020</u>
CASH & INVESTMENTS:			
Cash		2,750,875	2,271,085
Restricted Cash **		1,459,018	1,261,422
Escrowed Court Funds		-	760,590
Restricted Bonds **		835,528	1,879,043
Total Cash & Investments		<u>\$ 5,045,421</u>	<u>\$ 6,172,140</u>
Accrued Investment Income		7,997	20,294
Reinsurance Recoverable on Paid Losses		-	2,288
TOTAL ADMITTED ASSETS		<u>\$ 5,053,419</u>	<u>\$ 6,194,722</u>
LIABILITIES & POLICYHOLDERS' SURPLUS			
LIABILITIES:			
Distribution Class 1- Unpaid LAE Reserves		294,554	326,578
Distribution Class 1 - Unpaid Admin Expenses (P&C)		1,265,105	1,417,261
Distribution Class 1 - Unpaid Admin Expenses (Life and Health)		2,232,468	1,976,327
Distribution Class 3 - Unpaid Case Loss Reserves (P&C)		10,851,035	9,312,560
Distribution Class 3 - Unpaid Case Loss Reserves (Life and Health)		4,801,526	4,792,458
Distribution Class 3 - Unpaid GA Paid Losses (P&C)		2,601,549	1,881,591
Distribution Class 3 - Unpaid GA Paid Losses (Life and Health)		1,158,489	1,172,928
Distribution Class 3 - Unpaid Proof of Claims		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	-
Funds Held		1,837,722	1,837,699
Other Payables		2,041	2,041
Total Liabilities		<u>\$ 687,955,325</u>	<u>\$ 28,207,591</u>
SURPLUS:			
Policyholders' Surplus (Deficit) - Beginning		(22,012,869)	(4,301,290)
Change in Compass Ins Co		-	3,701,102
NET LOSS		(660,889,037)	(21,412,681)
Total Policyholders' Surplus (Deficit) - Ending		<u>\$ (682,901,907)</u>	<u>\$ (22,012,869)</u>
TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS (DEFICIT)		<u>\$ 5,053,419</u>	<u>\$ 6,194,722</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, 2021

	For the Period ended September 30, 2021	December 31, 2020
NET PREMIUMS EARNED:		
Total Gross Premiums	-	-
Total Premium Ceded	-	-
Total Change in Net Unearned Premium	-	-
Total Net Premiums Earned	\$ -	\$ -
NET LOSSES AND ALAE INCURRED:		
Net Losses Paid - P&C	203,006	994,070
Net Losses Paid - Life and Health	1,158,489	1,172,928
Change in Unpaid Losses and IBNR - P&C	1,538,475	5,908,071
Change in Unpaid Losses and IBNR - Life and Health	9,068	4,792,458
Change in Unpaid Proof of Claims	657,422,690	-
Change in Unpaid LAE and LAE IBNR - P&C	(32,024)	(162,580)
Total Net Losses and LAE Incurred	\$ 660,299,703	\$ 12,704,946
OPERATING EXPENSES:		
Salaries and Wages	14,100	35,704
Travel and Meetings	181	5,972
Rent	6,268	35,126
Software and Equipment	-	14,688
Office Costs	36,192	523,005
Legal and Consulting Fees	170,525	557,625
Service Fees	323,856	2,405,242
Distribution Class 5 - Adjustment to other Claimant Liabilities	-	(3,906,786)
Investment Funds seized by the State	165,514	-
Other Expenses (Income)	9,548	(467,501)
Total Operating Expenses	\$ 726,183	\$ (796,924)
UNDERWRITING LOSS	\$ (661,025,887)	\$ (11,908,022)
INVESTMENT & OTHER INCOME:		
Interest Income	(7,003)	58,284
Realized Gain (Loss) on Investments	143,853	(9,562,944)
Total Investment & Other Income (Loss)	\$ 136,849	\$ (9,504,660)
NET LOSS	\$ (660,889,037)	\$ (21,412,681)