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FILED
03-09-2023
CIRCUIT COURT
DANE COUNTY, WI
2019CV001209

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March 9, 2023

VIA ELECTRONIC FILING

Hon. Stephen E. Ehlke
Dane County Circuit Court
7th Floor, Courtroom 7D - Branch 15
215 S. Hamilton Street
Madison, WI 53703-3285

RE Liquidation of Northwestern National Insurance Company of Milwaukee, WI (“NNIC”)
Case No. 2019-CV-001209

Dear Judge Ehlke:

We are filing with this letter NNIC’s quarterly financial statements as of
December 31, 2022.

Sincerely,

GODFREY & KAHN, S.C.

James A. Friedman

JAF:ldk

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2019CV001209

Northwestern National Insurance Company
Financial Statements
December 31, 2022

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

	December 31, 2022	December 31, 2021
ASSETS		
CASH & INVESTMENTS:		
Cash	2,307,752	2,897,426
Restricted Cash **	1,468,504	1,462,179
Restricted Bonds **	227,793	528,426
Total Cash & Investments	\$ 4,004,049	\$ 4,888,031
Accrued Investment Income	4,748	6,605
TOTAL ASSETS	\$ 4,008,797	\$ 4,894,636
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	\$ 686,780,595	\$ 687,729,744
SURPLUS:		
Policyholders' Surplus (Deficit) - Beginning	(682,835,107)	(22,012,869)
Change in Compass Insurance Company	-	-
Net Income (Loss)	63,310	(660,822,238)
Total Policyholders' Surplus (Deficit) - Ending	\$ (682,771,797)	\$ (682,835,107)
TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS (DEFICIT)	\$ 4,008,797	\$ 4,894,636

** 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
December 31, 2022

	For the Period ended December 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	14,093	17,497
Travel and Meetings	-	181
Rent	-	6,268
Office Costs	25,194	40,818
Legal and Consulting Fees	51,892	198,105
Service Fees	26,610	339,424
Investment Funds Seized by the State	305,000	500,873
Other Expenses (Income)	-	9,549
Total Operating Expenses	\$ 422,789	\$ 1,112,715
UNDERWRITING LOSS	\$ (422,789)	\$ (661,186,837)
INVESTMENT & OTHER INCOME:		
Interest Income	7,731	(5,559)
Realized Gain (Loss) on Investments	-	171,523
State Deposits Returned	194,283	-
Funds Received from Redemption of Letters of Credit	284,085	198,634
Total Investment & Other Income (Loss)	\$ 486,100	\$ 364,598
NET INCOME (LOSS)	\$ 63,310	\$ (660,822,239)