



Affidavit of Witness to First Class Mailing

STATE OF WISCONSIN )
)
COUNTY OF DANE ) ss.

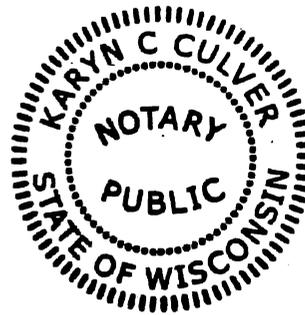
I, Mary Sue Gilardi, being first duly sworn upon oath, deposes and states as follows:

- 1. I am employed by the Office of the Commissioner of Insurance of the State of Wisconsin as a Records Management Supervisor, and make this affidavit on personal knowledge.
2. On May 6, 2019, I accompanied Amy J. Malm to a United States Post Office in Madison, Wisconsin, and there witnessed that she personally deposited 1179 postage-paid first class letters, which she represented to be Notice of Liquidation, Proof of Claim Form or Captive Insurer Assignment for Northwestern National Insurance Company of Milwaukee, Wisconsin.

Mary Sue Gilardi
Signature of Affiant

Subscribed and sworn to before me
this 7 day of MAY, 2019

Karyn C Culver
Print Name: KARYN C. CULVER
Notary Public, State of Wisconsin
My Commission: JANUARY 21, 2022



# **NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN**

## **NOTICE OF LIQUIDATION OF NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN**

**TO: CAPTIVE REINSURERS OF NORTHWESTERN NATIONAL INSURANCE  
COMPANY OF MILWAUKEE**

### **LIQUIDATION ORDER**

Northwestern National Insurance Company of Milwaukee, Wisconsin (Northwestern National), a property and casualty insurer domiciled in Wisconsin that maintains its main administrative office at 8200 Beckett Park Drive, Suite 201, West Chester, Ohio 45069, and its statutory home office at 33 East Main Street, Suite 900, Madison, Wisconsin 53703, was placed in liquidation on May 2, 2019 by order of Dane County Circuit Court, State of Wisconsin.

### **LIQUIDATION**

The Court appointed Wisconsin Commissioner of Insurance, Mark V. Afable, and his successors in office or as Liquidator, and Amy J. Malm, as Special Deputy Liquidator for Northwestern National.

### **LOCATION OF OPERATIONS**

Amy J. Malm  
Special Deputy Liquidator  
Northwestern National Insurance Company of Milwaukee, Wisconsin  
Office of the Commissioner of Insurance  
P. O. Box 7873  
Madison, Wisconsin 53707-7873  
Telephone: (608) 261-8562  
E-Mail: [ocinnicliquidation@wisconsin.gov](mailto:ocinnicliquidation@wisconsin.gov)

### **PRINCIPAL LINES OF INSURANCE**

Prior to its entering run-off in 1986, Northwestern National conducted a full range of commercial and personal lines of business, including commercial multiple peril, homeowners, worker's compensation, other liability, ocean marine, inland marine, accident and health, farm owners, medical malpractice, and auto liability and physical damage, among other lines of business. At present, claims consist principally of accident and health, worker's compensation, and environmental and asbestos liability.

### **POLICY CANCELLATION**

Under the Liquidation Order, all insurance policies issued by Northwestern National Insurance Company of Milwaukee, Wisconsin will be terminated at the earliest of the following dates:

- a) May 17, 2019
- b) The normal date for the expiration of coverage; or

## Captive Reinsurers

Notice of Liquidation of Northwestern National Insurance Company of Milwaukee, Wisconsin

May 2, 2019

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- c) Until Northwestern National has replaced the insurance coverage with equivalent insurance in another insurer; or
- d) Until the Liquidator has effected a transfer of the policy obligation pursuant to §645.46(8), whichever time is less.
- e) The only policies affected by the termination provided by the Liquidation Order were guaranteed renewable accident and health insurance policies. All other policies terminated in accordance with their stated expiration date.

**REINSURANCE  
COVERAGE**

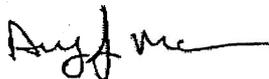
1. As a captive reinsurer of Northwestern National, your liability to Northwestern National is not reduced as a result of the Liquidation Order. You are required under the Liquidation Order and pursuant to Wisconsin Statute § 645.58 (1), to take one of the following actions and to inform the Liquidator of the action chosen no later than fifteen (15) days of the Liquidation Order:

- a) The captive reinsurer shall send complete copies of all open claim files to NNIC for all such claims no later than 15 days after the date of the Liquidation Order. In addition, the captive reinsurer shall include a report to the Liquidator with each payment made sufficient to provide the Liquidator with the information necessary to pay the claim and update the claims file, or
- b) Enter into a written agreement with the Liquidator to fully and finally assume the obligations under the captive reinsurance arrangements and to administer the claims and make payments directly to the insured or claimant, as applicable.

If the captive reinsurer chooses to return the claims, they are required to continue payments for 30 days to allow an orderly transition.

Attached is an agreement in which the captive reinsurer agrees to assume the direct policy obligations of Northwestern National. If a captive reinsurer would like to assume the obligations of the Northwestern National policy, please execute the agreement attached to this notice and return it to the Liquidator at the address above within ten (10) days of this letter.

Sincerely,



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Amy J. Malm, Special Deputy Liquidator  
Northwestern National Insurance Company  
of Milwaukee, Wisconsin

## CAPTIVE REINSURER of NORTHWESTERN NATIONAL INSURANCE COMPANY INSURER ASSUMPTION AGREEMENT

This Captive Reinsurer Assumption Agreement ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_ 2019, by and between the Wisconsin Office of the Commissioner of Insurance and Mark Afable as appointed Liquidator ("Liquidator") of Northwestern National Insurance Company ("Northwestern National"), and \_\_\_\_\_ ("Captive Reinsurer"), who entered into an reinsurance agreement with Northwestern National r under the following policies \_\_\_\_\_.

### RECITALS

1. The Liquidator and the Captive Reinsurer agree that as of the date this Agreement is executed by both parties, the Captive Reinsurer will assume all direct policy obligations of Northwestern National as direct obligations of the captive reinsurer for the following policies.

In assuming the obligations of Northwestern National, the Captive Reinsurer shall be responsible for making direct payments to the policyholder or claimant for all claims payments and such claim payments by the captive reinsurer shall extinguish the liability of Northwestern National pursuant to Wis.Stat. § 645.58.

2. In assuming Northwestern National's obligations for the policies listed in paragraph 1., the captive reinsurer agrees that they are responsible for investigating, adjusting and litigating any claim for coverage. Northwestern National shall not be responsible for any loss adjustment expenses or any other costs associated with determining coverage for a claim under a policy that has been assumed by the captive reinsurer.
3. If the Captive Reinsurer becomes insolvent or enters rehabilitation per a Court Order, the Captive Reinsurer agrees to send the Court Order to the Wisconsin Office of Commissioner of Insurance, attention Amy Malm, at the address below within five days of the Court Order:

**Amy Malm  
Special Deputy Liquidator for  
Northwestern National Insurance Company of Milwaukee, Wisconsin  
Office of the Commissioner of Insurance  
P. O. Box 7873  
Madison, Wisconsin 53707-7873**

4. This Agreement will be binding on the Captive Reinsurer, its successors and all future Commissioners of the Wisconsin Office of the Commissioner of Insurance.
5. Any legal action and payments either through settlement or final verdict ("Payment") that arise from a policy for the failure of the Captive Reinsurer to make claims payments per this Agreement will be the full responsibility of the Captive Reinsurer, and the Captive Reinsurer agrees to fully indemnify the Wisconsin Office of the Commissioner of Insurance for any Payment including reasonable legal fees.

- 6. If the Captive Reinsurer fails to make a payment to a policyholder or claimant that results in claim to the estate of Northwestern National, the Captive Reinsurer will be responsible to reimburse the full amount of any payment made by the Liquidator for such a claim along with a ten percent (10.0%) penalty.
- 7. In the event that any provision of this Agreement shall be held to be invalid or unenforceable for any reason whatsoever, such invalidity or unenforceability shall not affect any other provision of this Agreement and the remaining covenants, restrictions and provisions hereof shall remain in full force and effect.
- 8. This Agreement shall be binding upon both parties and any the provisions of the Agreement may be waived, altered, amended or repealed, in whole or in part, only by the written consent of both parties to this Agreement.
- 9. This Agreement constitutes the entire agreement between the parties and supersedes any and all other agreements, wither oral or written, between the parties with respect to the subject matter of this Agreement.
- 10. The failure of either party to demand, in any one or more instances, performance of any of the terms of this Agreement shall not be construed as a waiver or relinquishment of any right granted under this Agreement or of the future performance of any such term, covenant or condition.
- 11. A party to this Agreement shall be entitled to recover actual and reasonable attorneys' fees and expenses incurred by such party in connection with any successful action brought against the other party to enforce the terms of this Agreement.
- 12. Any dispute regarding this Agreement will be filed in Northwestern National Liquidation Court in Dane County, Wisconsin, and will be governed by Wisconsin Law.

**Wisconsin Office of the Commissioner of Insurance**

By: \_\_\_\_\_  
Mark Afable, Commissioner

Date \_\_\_\_\_

**Captive**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Date \_\_\_\_\_

# NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN

May 2, 2019

Re: Notice of Liquidation of Northwestern National Insurance Company of Milwaukee, Wisconsin and Termination of Coverage

Dear Policyholders and Claimants:

Northwestern National Insurance Company of Milwaukee, Wisconsin (Northwestern National), a Wisconsin domiciled company, was ordered to be liquidated by the Dane County Circuit Court, State of Wisconsin, on May 2, 2019. Northwestern National has been in run-off since 1986 and the Office of the Commissioner of Insurance petitioned for the liquidation of Northwestern National only after all other alternatives were thoroughly explored.

The Court appointed Wisconsin Commissioner of Insurance, Mark V. Afable, and his successors in office or any of their delegates, as Liquidator, and Amy J. Malm as Special Deputy Liquidator for Northwestern National.

The liquidation of Northwestern National impacts your insurance coverage under a policy issued by the company. Wisconsin's Office of the Commissioner of Insurance (OCI) is making every effort to minimize the financial loss and inconvenience you may experience due to the liquidation.

You are strongly urged to **read this letter carefully** and follow the procedures outlined. This letter will give you information on the treatment of your policy or claim in the liquidation. If you have any questions, please address them in writing to the Special Deputy Liquidator at the address below or email [ocinnicliquidation@wisconsin.gov](mailto:ocinnicliquidation@wisconsin.gov). Please do not call.

Special Deputy Liquidator for  
Northwestern National Insurance Company of Milwaukee, Wisconsin  
Office of the Commissioner of Insurance  
P. O. Box 7873  
Madison, Wisconsin 53707-7873

## NOTICE TO POLICYHOLDERS OF IN-FORCE ACCIDENT AND HEALTH POLICIES

**Policy Termination:** Pursuant to § 645.43 (1), Wis. Stat., all insurance policies issued by Northwestern National Insurance Company of Milwaukee, Wisconsin that are not continued under the state laws of Insurance Guaranty Associations will be terminated based on the court order at the earliest of the following dates:

- (a) May 17, 2019
- (b) The normal date for the expiration of coverage; or
- (c) The date the insured has replaced the insurance coverage with equivalent insurance in another insurer; or
- (d) The date the Liquidator has effected a transfer of the policy obligation pursuant to §645.46(8), which ever time is less.

If your policy is not continued by your state's Insurance Guaranty Association, we urge you to immediately seek replacement coverage effective no later than May 17, 2019.

Northwestern National Insurance Company of Milwaukee, Wisconsin  
Notice to Policyholders and Claimants of Liquidation and Termination of Coverage  
May 2, 2019  
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**Policyholders of in-force Accident and Health policies who are residents of New York, Kentucky or a foreign country:** Based on representations of the New York and Kentucky Guaranty Associations to OCI, the Insurance Guaranty Association in your state does not provide continuation coverage for you. Your policy will be terminated in accordance with § 645.43 (1), Wis. Stat., on May 17, 2019, 15 days after the date of the Liquidation Order. The Liquidator (for New York and foreign residents) or the Kentucky P&C Insurance Guaranty Association (for Kentucky residents) will pay your claims incurred prior to the date of policy termination. New York and foreign residents should continue submitting medical expenses covered by your policy as you currently submit them until the termination date of your policy. Kentucky residents should submit their medical expenses to the Kentucky P&C Insurance Guaranty Association.

**All other Policyholders of Accident and Health in-force policies:** The Accident and Health policies for all policyholders who are not residents of New York, Kentucky or a foreign country will be continued by the Life & Health Insurance Guaranty Association in each such policyholder's state of residence subject to the limitations and restrictions in each state's Life & Health Guaranty Association law. If you wish to keep your policy in force, you should continue to pay your policy premiums timely. You will be receiving a notice from your guaranty association, on or about the date of this letter, providing important information about the coverage of your policy. In addition, you can find contact information for the Life & Health Insurance Guaranty Association in your state through the National Organization of Life and Health Insurance Guaranty Associations' website, [www.nolhga.com](http://www.nolhga.com).

#### **NOTICE TO INSUREDS AND CLAIMANTS UNDER POLICIES OTHER THAN ACCIDENT AND HEALTH**

**Filing Proof of Claim:** All claimants and potential claimants who wish to share in the distribution of Northwestern National's assets are required to file a Proof of Claim under §645.62, Wis. Stat., with the Special Deputy Liquidator, c/o Northwestern National Insurance Company of Milwaukee, Wisconsin, P.O. Box 7873, Madison, Wisconsin 53707. The Proof of Claim must be postmarked on or before November 2, 2019.

Claims must be filed on a Proof of Claim form and according to instructions which may be obtained by writing to the above address. If you fail to file a Proof of Claim as prescribed by statute by November 2, 2019, your claim will not be considered for payment. If someone makes a claim against you for liability which is covered by a Northwestern National policy, you should file a Proof of Claim with the Special Deputy Liquidator on your own behalf, regardless of whether the person making the claim against you files a claim.

You do not need to file a Proof of Claim if you have already filed a claim with Northwestern National or have given notice to the company of a suit in accordance with the policy terms.

You do not need to file a claim for return of unearned premium. Claims for unearned premium will be determined based on Northwestern National's records.

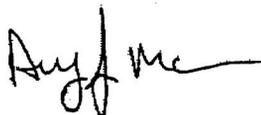
**P&C Insurance Guaranty Association Coverage:** The Insurance Guaranty Association of your state may provide coverage of claims under policies issued by insurance companies in liquidation, subject to certain deductibles, limits, restrictions and exclusions. Your state's Insurance Guaranty Association will determine the allowable amount and the extent of policy coverage for any eligible claim against Northwestern National.

The Insurance Guaranty Association will be responsible for the administration of all property and casualty claims under policies covered by them, including direction of defense counsel. Your defense counsel may contact Northwestern National at the above address in an urgent situation; otherwise, defense counsel will receive instructions directly from the applicable Insurance Guaranty Association at a later time.

Northwestern National Insurance Company of Milwaukee, Wisconsin  
Notice to Policyholders and Claimants of Liquidation and Termination of Coverage  
May 2, 2019  
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You may find contact information for the Insurance Guaranty Association in your state through the National Conference on Insurance Guaranty Funds' website, [www.ncigf.org](http://www.ncigf.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Amy J. Malm", with a long horizontal flourish extending to the right.

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Amy J. Malm, Special Deputy Liquidator  
Northwestern National Insurance Company  
of Milwaukee, Wisconsin

# NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN

## NOTICE OF LIQUIDATION OF NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN

**TO: REINSURERS OF NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE**

### LIQUIDATION ORDER

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### LIQUIDATION

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### LOCATION OF OPERATIONS

Amy J. Malm  
Special Deputy Liquidator  
Northwestern National Insurance Company of Milwaukee, Wisconsin  
Office of the Commissioner of Insurance  
P. O. Box 7873  
Madison, Wisconsin 53707-7873  
Telephone: (608) 261-8562  
E-Mail: [ocinnicliquidation@wisconsin.gov](mailto:ocinnicliquidation@wisconsin.gov)

### PRINCIPAL LINES OF INSURANCE

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- (c) Until Northwestern National has replaced the insurance coverage with equivalent insurance in another insurer; or
- (d) Until the Liquidator has effected a transfer of the policy obligation pursuant to § 645.46(8), whichever time is less.
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Reinsurers

Notice of Liquidation of Northwestern National Insurance Company of Milwaukee, Wisconsin

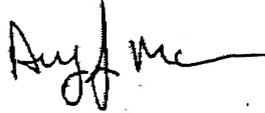
May 2, 2019

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### REINSURANCE COVERAGE

As a reinsurer of Northwestern National, your liability to Northwestern National is not reduced as a result of the liquidation order. You are required under the Liquidation Order to make claim payments directly to the estate of Northwestern National pursuant to Wisconsin Statute §645.58 (1).

Sincerely,



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Amy J. Malm  
Special Deputy Liquidator  
Northwestern National Insurance Company  
of Milwaukee, Wisconsin

OF MILWAUKEE, WISCONSIN IN LIQUIDATION

Case No. 19CV001209

LIQUIDATOR CLAIM NO.:

DEADLINE FOR FILING PROOF OF CLAIM IS NOVEMBER 2, 2019

DATE PROOF OF CLAIM RECEIVED:

File a separate Proof of Claim for each claim.

READ CAREFULLY BEFORE COMPLETING THIS FORM - PLEASE PRINT

Claimant Information:

Name: \_\_\_\_\_

Policy Number:

Insured:

Street Address \_\_\_\_\_

Claim Number:

Date of Loss:

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone: ( ) \_\_\_\_\_

Social Security No. or Federal Tax I.D. No. \_\_\_\_\_

Email Address \_\_\_\_\_

(If represented by an attorney in this matter, please attach a separate sheet with attorney's name, address, and telephone number.)

Claim Information:

EACH PROOF OF CLAIM MUST HAVE ATTACHED ALL SUPPORTING DOCUMENTATION IN ORDER TO BE CONSIDERED.

AMOUNT OF CLAIM (show amount remaining due after reduction for all partial payments received): \$ \_\_\_\_\_

Attach a statement briefly explaining the nature of your claim. If your claim arises out of an accident or other loss, you must include the date and location of the accident or loss. If your claim arises out of an insurance policy issued by Northwestern National Insurance Company of Milwaukee, Wisconsin, provide the name of the person or entity insured by Northwestern National Insurance Company of Milwaukee, Wisconsin and any existing claim number.

Attach a list of all other insurance policies providing coverage or other sources for possible payment for this claim. Include the name of the insurance company, policy number, and claim number, if applicable.

Additional Information:

Are you a resident of the State of Wisconsin? (Circle one) Yes No

Is there security on your claim? (Circle one, and attach description if applicable) Yes No

Is there a written contract, other than an insurance policy involved? (Circle one, and if yes, attach description and any applicable documentation) Yes No

UNDER PENALTIES OF LAW, I STATE THAT THE FACTS AS SET FORTH IN THIS CLAIM ARE TRUE, THAT THE SUM CLAIMED IS JUSTLY OWING AND THAT THERE IS NO SET-OFF, COUNTERCLAIM OR DEFENSE TO THE CLAIM SUBMITTED.

STATE OF \_\_\_\_\_

Claimant's Name (Please Print) \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Signature of Individual, Partner, or Officer \_\_\_\_\_

Personally came before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ the above named signatory, \_\_\_\_\_, to me known to be the person who executed the foregoing instrument and acknowledge the same.

RETAIN A COPY FOR YOUR RECORDS

RETURN TO: Special Deputy Liquidator, c/o Northwestern National Insurance Company of Milwaukee, Wisconsin, Office of the Commissioner of Insurance, P.O. Box 7873, Madison, Wisconsin 53707-7873