

# WISCONSIN REINSURANCE CORPORATION IN LIQUIDATION

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2810 City View • Drive Madison, Wisconsin 53718  
(800) 939-9473 • Fax: (608) 242-4515 • thewrcgroup.com

May 28, 2024

## **Additional Reinsurance FAQs For Upcoming Bar Date**

### **When is the deadline to submit Proof of Claims?**

The deadline is July 1, 2024 (the “Bar Date”). We would **not** recommend waiting until the last day! It is very important to get your proof of claim submitted before the deadline for it to qualify in its appropriate class priority level.

### **What are the class priority levels?**

The liquidation statutes require every approved claim against the estate in each class to be paid in full, or have adequate funds for the payment, before moving on to the next class. Below is a general list of the priority classes established by Wisconsin law (Wis. Stat. 645.68).

- 1) Administration Costs
- 2) N/A
- 3) Loss Claims
- 4) Adjusted and Unearned Premiums
- 5) Residuals (including Commissions)
- 6) Judgements
- 7) Interest on Claims Already Paid
- 8) Miscellaneous Subordinate Claims, including Late Claims

### **What if I don't submit a Proof of Claim, or submit a Proof of Claim after the Bar Date?**

If a claim is known by the mutual and a Proof of Claim is not submitted by the Bar Date, it may be determined to be an unexcused late claim and may be designated a Class 8 Claim. This does not apply to unsettled claims if WRC is notified timely of the pending claim and kept current of its status (see related FAQ below).

### **Do I need to complete the 5/31 Data Report request?**

Yes, Reinsurance Administration will use the information provided on the 5/31 Data Report to prepare reserves for the quarterly financials. It is important that you provide the most up to date and accurate reserve information for these purposes. If there is a claim on the Reserve Listing provided by WRC, it is imperative that you provide an update on that particular claim.

If you have first surplus claims that have been paid but not submitted, please submit those with your 5/31 Data Report. Please submit any Excess of Loss or Multiline claim forms for Large Loss claims that have closed, along with any closing documentation required by WRC. This information will need to be obtained and submitted with any reimbursement requests to the Wisconsin Insurance Security Fund or the liquidation estate. If additional claims are paid after 5/31, please submit as soon as possible for our review.

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We will be asking for a Proof of Claim for the amount due to your mutual **based on PAIDS** as of 7/1. It is very important to get your Proof of Claim in by the Bar Date; otherwise, it will be considered a late submission and its class priority status may move from Class 3 to Class 8.

## **My mutual has an open stop loss. When should I send in my reports to have WRC update our calculation?**

It does take some time to complete the stop loss calculations. Reinsurance Administration will send out emails to mutuals requesting stop loss reports starting in the next week or so. If you would like to be in an early wave of getting your calculation complete, please feel free to submit to [ContactWRC@thewrcgroup.com](mailto:ContactWRC@thewrcgroup.com) at any time. If additional payments are made after you submit the reports to WRC, we are happy to prepare an additional calculation closer to the bar date.

## **We saw some emails about Unearned Premium Transfers. What do I need to do?**

If your mutual had any quota share contracts (liability, earthquake, property, or umbrella), your mutual is eligible for an Unearned Premium Transfer and a claim against the WRC liquidation estate. All Unearned Premium calculations are complete and posted to your ShareBase account at Downloads from WRC → Reinsurance Billings → 2024 → 05 – May, including a Proof of Claim form. To officially make your claim to the liquidation estate, email [wrcproofofclaim@thewrcgroup.com](mailto:wrcproofofclaim@thewrcgroup.com) the signed package of documents related to Unearned Premium (Signed Proof of Claim + Invoice + Unearned Premium Support).

## **What about unsettled claims and open reserves as of the Bar Date?**

A separate signed Proof of Claim is requested for any open reserves eligible for reinsurance recoveries. It is VERY IMPORTANT we get the most accurate reserve balances as of 7/1. This should be done via the 5/31 data report that will be sent out, or via email to [ContactWRC@thewrcgroup.com](mailto:ContactWRC@thewrcgroup.com) if changes are made after the data report was submitted up until the 7/1 bar date. We may request documentation for open reserves as needed to support the claim against the estate.

We certainly understand adverse development of claims. If a claim settles after the 7/1 bar date for an amount different than your original proof of claim was submitted for (which is very likely to happen), you will submit an updated proof of claim form for your final request of reimbursement against the estate.

Reinsurance Administration will be available to assist in the preparation of Proof of Claim forms to expedite the process. Please look for additional emails from Katie and Katrina around mid-June, or feel free to reach out to [ContactWRC@thewrcgroup.com](mailto:ContactWRC@thewrcgroup.com).

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## **What happens if a claim we reserved for settles after the Bar Date?**

If a claim that you had a reserve for settles after 7/1, you will submit a Proof of Claim and support for any reinsurance recovery based on the balance paid. We understand that the balance paid probably won't be exactly the balance reserved, and that is okay! Since there was a reserve for the claim, it will remain as a class priority status 3 claim and not be considered a late claim.

## **What if our mutual is notified of a claim we didn't previously reserve for, or the paid balance only now is over our retention?**

Like those that did have a reserve, you should still submit a Proof of Claim and support for any reinsurance recovery based on the balance paid. Claims that your company was unaware of may qualify as excused late filed claims if notice is provided to us within 30 days after you learn of the claim. Claims that are excused late filed claims may continue to qualify under Class 3 provided the payment will not prejudice the order administration of the liquidation. However, failure to provide a Proof of Claim may result in a Class 8 status instead of a Class 3 status.

## **Is a Proof of Claim required for stock held by our mutual?**

No. Stockholders would be included in the final class priority status. If there are funds left to distribute at that time, WRC will use its internal records to allocate to the stockholders.

## **When will payments of Proof of Claims begin?**

It will take time to aggregate and confirm all the claims submitted and then ensure there are adequate funds via the class priority listing. Payments would not be expected to start until at least Q4 of 2024.

As always, thank you for your patience during this process! Please do not hesitate to reach out to us if you have any questions.

Thank you!  
Reinsurance Admin Team

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