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04-29-2026

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DANE COUNTY, WI  
2023CV001310  
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April 29, 2026

**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: Wisconsin Reinsurance Corporation and 1st Auto & Casualty Insurance  
Company  
Case No. 2023-CV-1310

Dear Judge Ehlke:

We are filing with this letter the quarterly financial statements of Wisconsin Reinsurance Corporation and 1st Auto & Casualty Insurance Company as of March 31, 2026.

Sincerely,

GODFREY &amp; KAHN, S.C.



Anthony S. Baish

ASB:sm

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CIRCUIT COURT  
DANE COUNTY, WI  
2023CV001310

**The WRC Group**  
**Income Statement**  
**3/31/2026**

	<b>WRC</b>	<b>1st Auto</b>
Premium Written	2,420	-
Assumed Losses Incurred	(1,056,248)	(173)
Ceded Losses Incurred	4,893	814
Change in Case Reserves	1,456,686	184,547
Change in Ceded Case Reserves	(32,822)	(157,927)
Change in Ceded Case Reserves - Intercompany	-	78,963
Loss Expenses Incurred	(130,351)	(52,577)
Other Underwriting Expenses	-	-
Assumed Losses - Interest Expense	(154,752)	(81,555)
<b>Underwriting Income/(Loss)</b>	<b>89,826</b>	<b>(27,908)</b>
Investment Income Earned	201,885	33,669
Net Realized Capital Gain/(Loss)	-	625
Miscellaneous Income	134	34,393
<b>Net Investment and Misc Income/(Loss)</b>	<b>202,019</b>	<b>68,686</b>
Guaranty Funds Admin Expenses	(17,082)	(132,948)
Noble Consulting Expense	(79,875)	(79,875)
Attorney Expense	(4,737)	(4,737)
Employee Expense	(223,548)	(251,643)
Facilities Expense	(6,716)	-
Software & Systems Expense	(59,563)	(51,466)
Finance Expense	(27,390)	(8,211)
Other Operating Expense	(1,488)	(8,314)
<b>Operating Expenses</b>	<b>(420,399)</b>	<b>(537,193)</b>
<b>Net Income (Loss)</b>	<b>(128,553)</b>	<b>(496,415)</b>

**Expense Note:** Operating and administrative expenses are generally allocated evenly between WRC and 1st Auto. Employee related expenses are allocated based on headcount.

**The WRC Group**  
**Balance Sheet**  
**3/31/2026**

<b>Assets</b>	<b>WRC</b>	<b>1st Auto</b>
<b>Cash and Invested Assets</b>		
Cash	-	90,045
Segregated Funds for Court Approved Claims not yet Settled	1,735,928	-
Cash Equivalents	4,676,509	1,771,526
Bonds	13,191,767	3,228,955
Preferred Stock	273,860	-
Common Stock	2,476,989	-
Receivable for securities	11,772	-
<b>Total Cash and Invested Assets</b>	<b>22,366,825</b>	<b>5,090,526</b>
<b>Other Assets</b>		
Premium Receivable	96,786	-
Reins Loss/LAE Recoverable on Paid	4,281	21,690
Reins Loss/LAE Recoverable on Paid - Intercompany	3,615	2,389,491
Interest Expense Recoverable on Paid - Intercompany		228,364
Accounts Receivable - Other	1,000	-
<b>Total Other Assets</b>	<b>105,682</b>	<b>2,639,544</b>
<b>Total Assets</b>	<b>22,472,507</b>	<b>7,730,070</b>

<b>Liabilities &amp; Equity</b>	<b>WRC</b>	<b>1st Auto</b>
<b>Class 1 - Administrative Expenses</b>		
Guaranty Funds Admin Expenses	17,082	251,253
Liquidation Staffing - 2026 Budget	911,251	1,050,451
Other Operating Expenses - 2026 Budget	240,813	205,350
<b>Total Class 1 Expenses</b>	<b>1,169,145</b>	<b>1,507,054</b>
<b>Class 3 - Loss Claims</b>		
Guaranty Fund Claims	2,458,222	6,158,417
Guaranty Fund Reserves	974,674	1,611,899
Less: Ceded Case Reserves	(329,040)	-
Less: Ceded Case Reserves - Intercompany	-	(1,020,177)
Policyholder Claims	3,558,996	514,534
Assumed Claims - Intercompany	2,331,318	3,615
Policyholder Reserves	2,726,473	-
Assumed Case Reserves - Intercompany	1,020,177	-
Less: Ceded Case Reserves	(920,429)	-
Federal Tax IRS	-	-
<b>Total Class 3 Expenses</b>	<b>11,820,392</b>	<b>7,268,288</b>
<b>Class 4 - Unearned Premium &amp; Deductible</b>		
Unearned Premium	1,879,456	439,422
Unearned Premium - Intercompany	12,922	-
Policyholder Deductible	31,331	15,412
<b>Total Class 4 Expenses</b>	<b>1,923,709</b>	<b>454,834</b>
<b>Class 5 - General Creditors</b>		
Commissions	-	25,434
General Creditors	78,771	280,217
Unpaid State/Local Taxes	2,911	-
<b>Total Class 5 Expenses</b>	<b>81,681</b>	<b>305,651</b>
<b>Class 6 - Judgements</b>		
	-	-
<b>Class 7 - Interest</b>		
Interest	719,793	444,258
Interest - Intercompany	225,064	-
<b>Total Class 7 Expenses</b>	<b>944,856</b>	<b>444,258</b>
<b>Class 8 - Late Filed</b>		
Late Filed Claims	5,267	43,743
Late Filed Claims - Intercompany	45,250	-
Deductible	7,700	34,537
Interest	838	709
Interest - Intercompany	3,300	-
<b>Total Class 8 Expenses</b>	<b>62,355</b>	<b>78,989</b>
<b>Class 9 - N/A</b>		
	-	-
<b>Class 10 - N/A</b>		
	-	-
<b>Class 11 - Stockholders</b>		
	-	-
<b>Total Liabilities</b>	<b>16,002,139</b>	<b>10,059,073</b>

**Policyholders' Surplus**

Policyholders' Surplus - Beginning	(5,442,792)	(9,832,588)
Common Capital Stock	418,365	7,000,000
Preferred Capital Stock	4,607	-
Additional Paid in Capital	13,230,300	1,000,000
Treasury Stock	(1,611,559)	-
Net Income (Loss)	(128,553)	(496,415)
<b>Total Policyholders' Surplus</b>	<b>6,470,368</b>	<b>(2,329,003)</b>
<b>Total Liabilities and Policyholders' Surplus</b>	<b>22,472,507</b>	<b>7,730,070</b>