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08-06-2025

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2023CV001310
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August 6, 2025

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 June 30, 2025.

Sincerely,

GODFREY & KAHN, S.C.

A handwritten signature in blue ink that reads "Anthony S. Baish".

Anthony S. Baish

ASB:sm

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CIRCUIT COURT
DANE COUNTY, WI
2023CV001310

The WRC Group
Income Statement
6/30/2025

	WRC	1st Auto
Premium Written	(55,251)	2,709
Assumed Losses Incurred	(3,244,529)	(1,505,556)
Ceded Losses Incurred	290,437	999,196
Change in Case Reserves	1,536,758	1,242,461
Change in Ceded Case Reserves	98,055	(2,899,386)
Change in Ceded Case Reserves - Intercompany	-	1,415,319
Loss Expenses Incurred	(133,711)	(54,564)
Other Underwriting Expenses	-	-
Assumed Losses - Interest Expense	(257,642)	(213,937)
Underwriting Income/(Loss)	(1,765,883)	(1,013,757)
Investment Income Earned	367,598	91,026
Net Realized Capital Gain/(Loss)	-	1,612
Miscellaneous Income	1,825	84,370
Net Investment and Misc Income/(Loss)	369,423	177,008
Guaranty Funds Admin Expenses	(161,546)	(583,054)
Noble Consulting Expense	(205,025)	(205,025)
Attorney Expense	(3,515)	(3,515)
Employee Expense	(570,210)	(876,970)
Facilities Expense	(92,025)	-
Software & Systems Expense	(169,222)	(300,841)
Finance Expense	(158,032)	(22,019)
Other Operating Expense	(11,365)	(21,163)
Operating Expenses	(1,370,939)	(2,012,585)
Net Income (Loss)	(2,767,399)	(2,849,334)

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
06/30/2025

Assets	WRC	1st Auto
Cash and Invested Assets		
Cash	-	234,063
Segregated Funds for Court Approved Claims not yet Settled	2,563,976	-
Cash Equivalents	2,420,275	1,601,211
Bonds	13,476,898	4,133,457
Preferred Stock	277,990	-
Common Stock	2,607,932	-
Receivable for securities	11,772	-
Net Real Estate	3,396,046	-
Total Cash and Invested Assets	24,754,888	5,968,730
Other Assets		
Premium Receivable	96,299	80,302
Reins Loss/LAE Recoverable on Paid	78,648	30,418
Reins Loss/LAE Recoverable on Paid - Intercompany	15,310	2,376,379
Interest Expense Recoverable on Paid - Intercompany		168,397
Accounts Receivable - Other	1,000	-
Total Other Assets	191,257	2,655,496
Total Assets	24,946,145	8,624,226

Liabilities & Equity	WRC	1st Auto
Class 1 - Administrative Expenses		
Guaranty Funds Admin Expenses	62,291	0
Liquidation Staffing - 2025 Budget	941,648	1,221,294
Facilities & Systems - 2025 Budget	295,298	369,347
Total Class 1 Expenses	1,299,237	1,590,641
Class 3 - Loss Claims		
Guaranty Fund Claims	2,188,313	5,156,439
Guaranty Fund Reserves	1,265,464	2,645,503
Less: Ceded Case Reserves	(70,049)	(77,032)
Less: Ceded Case Reserves - Intercompany	-	(1,517,391)
Policyholder Claims	3,321,679	394,531
Assumed Claims - Intercompany	2,318,456	15,310
Policyholder Reserves	2,202,024	745,000
Assumed Case Reserves - Intercompany	1,960,949	-
Less: Ceded Case Reserves	(230,437)	(443,558)
Federal Tax IRS	-	-
Total Class 3 Expenses	12,956,400	6,918,802
Class 4 - Unearned Premium & Deductible		
Unearned Premium	1,879,456	443,627
Unearned Premium - Intercompany	12,922	-
Policyholder Deductible	30,540	15,412
Total Class 4 Expenses	1,922,918	459,039
Class 5 - General Creditors		
Commissions	-	25,434
General Creditors	78,771	280,176
Unpaid State/Local Taxes	2,911	-
Total Class 5 Expenses	81,681	305,610
Class 6 - Judgements	-	-
Class 7 - Interest		
Interest	402,592	213,482
Interest - Intercompany	166,747	-
Total Class 7 Expenses	569,339	213,482
Class 8 - Late Filed		
Late Filed Claims	5,267	37,366
Late Filed Claims - Intercompany	45,000	-
Deductible	7,350	34,537
Interest	452	455
Interest - Intercompany	1,650	-
Total Class 8 Expenses	59,719	72,357
Class 9 - N/A	-	-
Class 10 - N/A	-	-
Class 11 - Stockholders	-	-
Total Liabilities	16,889,295	9,559,931

Policyholders' Surplus

Policyholders' Surplus - Beginning	(1,217,464)	(6,086,371)
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)	(2,767,399)	(2,849,334)
Total Policyholders' Surplus	8,056,850	(935,705)
Total Liabilities and Policyholders' Surplus	24,946,145	8,624,226