FILED
10-26-2026
CIRCUIT COURT
DANE COUNTY, WI
2023CV001310

GODFREY & KAHN

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October 26, 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 September 30, 2026.

Sincerely,

GODFREY & KAHN, S.C.

Anthony S. Baish

Anthony S. Baish

ASB:sm

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The WRC Group
Income Statement
9/30/2026

	WRC	1st Auto
Premium Written	(22,004)	-
Assumed Losses Incurred	(7,390,679)	(623,085)
Ceded Losses Incurred	596,530	1,800,396
Change in Case Reserves	5,593,192	418,910
Change in Ceded Case Reserves	(1,282,290)	(2,085,780)
Change in Ceded Case Reserves - Intercompany	-	1,099,140
Loss Expenses Incurred	(505,970)	(69,039)
Other Underwriting Expenses	-	-
Assumed Losses - Interest Expense	(418,954)	(255,296)
Underwriting Income/(Loss)	(3,430,174)	285,246
Investment Income Earned	594,460	98,103
Net Realized Capital Gain/(Loss)	-	2,117
Miscellaneous Income	380	92,977
Net Investment and Misc Income/(Loss)	594,840	193,197
Guaranty Funds Admin Expenses	(23,993)	(312,058)
Noble Consulting Expense	(220,217)	(220,217)
Attorney Expense	(24,537)	(10,034)
Employee Expense	(564,707)	(660,139)
Facilities Expense	(6,716)	-
Software & Systems Expense	(194,035)	(182,196)
Finance Expense	(93,484)	(37,440)
Other Operating Expense	(2,998)	(11,397)
Operating Expenses	(1,130,686)	(1,433,481)
Net Income (Loss)	(3,966,021)	(955,037)

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
9/30/2026

Assets	WRC	1st Auto
Cash and Invested Assets		
Cash	309,771	864,171
Segregated Funds for Court Approved Claims not yet Settled	292,409	-
Cash Equivalents	2,976,008	1,483,688
Bonds	11,371,099	3,024,777
Preferred Stock	246,860	-
Common Stock	2,407,881	-
Receivable for securities	11,772	-
Total Cash and Invested Assets	17,615,800	5,372,636
Other Assets		
Premium Receivable	96,544	(0)
Reins Loss/LAE Recoverable on Paids	268,376	253,753
Reins Loss/LAE Recoverable on Paids - Intercompany	4,042	2,387,471
Interest Expense Recoverable on Paids - Intercompany		286,948
Accounts Receivable - Other	1,000	-
Total Other Assets	369,962	2,928,172
Total Assets	17,985,762	8,300,808

Liabilities & Equity		WRC	1st Auto
Class 1 - Administrative Expenses			
Guaranty Funds Admin Expenses		(0)	0
Liquidation Staffing - Budgeted		849,501	973,566
Other Operating Expenses - Budgeted		283,848	264,132
	Total Class 1 Expenses	1,133,348	1,237,698
Class 3 - Loss Claims			
Guaranty Fund Claims		2,461,657	6,707,946
Guaranty Fund Reserves		-	1,377,535
Less: Ceded Case Reserves		-	-
Less: Ceded Case Reserves - Intercompany		-	-
Policyholder Claims		3,418,695	616,905
Assumed Claims - Intercompany		2,329,298	4,042
Policyholder Reserves		584,818	-
Assumed Case Reserves - Intercompany		-	-
Less: Ceded Case Reserves		-	-
Federal Tax IRS		-	-
	Total Class 3 Expenses	8,794,468	8,706,427
Class 4 - Unearned Premium & Deductible			
Unearned Premium		1,879,456	439,363
Unearned Premium - Intercompany		12,922	-
Policyholder Deductible		32,826	15,412
	Total Class 4 Expenses	1,925,204	454,775
Class 5 - General Creditors			
Commissions		-	25,434
General Creditors		78,771	280,217
Unpaid State/Local Taxes		2,911	-
	Total Class 5 Expenses	81,681	305,651
Class 6 - Judgements		-	-
Class 7 - Interest			
Interest		925,300	617,823
Interest - Intercompany		282,548	-
	Total Class 7 Expenses	1,207,849	617,823
Class 8 - Late Filed			
Late Filed Claims		1,873,591	44,743
Late Filed Claims - Intercompany		45,250	-
Deductible		8,050	34,537
Interest		948	884
Interest - Intercompany		4,400	-
	Total Class 8 Expenses	1,932,239	80,164
Class 9 - N/A		-	-
Class 10 - N/A		-	-
Class 11 - Stockholders		-	-
	Total Liabilities	15,074,790	11,402,538

Policyholders' Surplus		
Policyholders' Surplus - Beginning	(5,164,721)	(10,146,693)
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)	(3,966,021)	(955,037)
Total Policyholders' Surplus	2,910,971	(3,101,730)
Total Liabilities and Policyholders' Surplus	17,985,762	8,300,808