

FILED
02-24-2026
CIRCUIT COURT
DANE COUNTY, WI
2023CV001310

STATE OF WISCONSIN : CIRCUIT COURT : DANE COUNTY
BRANCH 15

In the Matter of the Liquidation of:

Wisconsin Reinsurance Corporation and 1st Auto &
Casualty Insurance Company

Case No. 2023CV1310

Case Code: 30703

**LIQUIDATOR'S RESPONSE TO OBJECTION TO
LIQUIDATOR'S CLAIM DETERMINATION**

Claimant Gross Welch Marks Clare PC, LLC (“Gross Welch”) objects to the determination of the Wisconsin Commissioner of Insurance, acting as liquidator (the “Liquidator”) of 1st Auto & Casualty Insurance Company (“1st Auto”), that Gross Welch’s claim was untimely. Gross Welch’s own objection, however, establishes that the Liquidator’s determination was manifestly correct.

As an initial matter, Gross Welch apparently misunderstands the nature of the Liquidator’s determination, objecting to a “recommendation declining payment” and requesting “payment for services rendered.” (Dkt. No. 94, p. 1.) But the Liquidator’s recommendation did not “decline” payment to Gross Welch. Rather, the Liquidator merely determined the claim was untimely and therefore fell within class eight under Wis. Stat. § 645.68. (*See* Ex. A hereto.) If, upon approval of a final plan of distribution by this Court, the Liquidator has claims-paying

resources sufficient to pay class eight claims, Gross Welch's claim will be paid, in whole or in part, on a *pro rata* basis together with all other class eight claims.¹

The Liquidator's determination of untimeliness, moreover, was correct. Gross Welch's objection establishes that it "received notice of liquidation" and "instructions to submit a proof of claim" on January 2, 2024, well in advance of the July 1, 2024 bar date. (Dkt. No. 94, ¶ 7.) Because the notice was not properly "processed internally" at Gross Welch, however, Gross Welch did not file a proof of claim until nearly two years after receiving the notice and nearly eighteen months after the bar date. (*Id.* at ¶¶ 7, 8.) That the claim was untimely is beyond dispute.

"Claims filed late" are class eight claims. Wis. Stat. § 645.68(8)(d). The Liquidator's determination was correct, and Gross Welch's objection should be overruled.

¹ For this reason, Gross Welch's request for immediate payment is improper. The amount of funds ultimately available to pay claims, and the proper distribution of available funds among claimants of all classes, has yet to be determined. Payment now to Gross Welch would violate Section 645.68's mandate on priority of payment ("every claim in each class shall be paid in full . . . before the members of the next class receive any payment") and this Court's order of December 13, 2024, which – as to 1st Auto – authorized immediate payment only of administrative expenses. *See* Dkt. No. 62.

Dated this 24th day of February, 2026.

Respectfully submitted,

GODFREY & KAHN, S.C.

By: Electronically signed by Anthony S. Baish

James A. Friedman
State Bar No. 1020756
Zachary P. Bemis
State Bar No. 1094291
Anthony S. Baish
State Bar No. 1031577

*Attorneys for Petitioner Nathan Houdek,
Commissioner of Insurance of the State of
Wisconsin*

One East Main Street, Suite 500
P.O. Box 2719
Madison, WI 53701-2719
Phone: 608-257-3911
Fax: 608-257-0609
jfriedman@gklaw.com
zbemis@gklaw.com
tbaish@gklaw.com

37981931.1