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DANE COUNTY, WI
2023CV001310
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May 8, 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 March 31, 2025.

Sincerely,
GODFREY & KAHN, S.C.

Anthony S. Baish

ASB:sm

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The WRC Group
Balance Sheet
03/31/2025

Assets	WRC	1st Auto
Cash and Invested Assets		
Cash	782,050	896,893
Segregated Funds for Court Approved Claims not yet Settled	2,902,595	-
Cash Equivalents	2,193,487	1,400,494
Bonds	13,483,364	4,279,439
Preferred Stock	284,940	-
Common Stock	2,586,108	-
Receivable for securities	11,772	-
Net Real Estate	3,422,877	-
Total Cash and Invested Assets	25,667,192	6,576,826
Other Assets		
Premium Receivable	96,265	81,425
Reins Loss/LAE Recoverable on Paid	175,200	32,568
Reins Loss/LAE Recoverable on Paid - Intercompany	14,490	1,970,173
Interest Expense Recoverable on Paid - Intercompany		124,021
Bank Security Deposit	50,000	-
Accounts Receivable - Other	1,000	-
Total Other Assets	336,956	2,208,185
Total Assets	26,004,148	8,785,012

Liabilities & Equity	WRC	1st Auto
Class 1 - Administrative Expenses		
Guaranty Funds Admin Expenses	99,255	0
Liquidation Staffing - 2025 Budget	940,373	1,205,994
Facilities & Systems - 2025 Budget	280,830	348,195
Total Class 1 Expenses	1,320,458	1,554,190
Class 3 - Loss Claims		
Guaranty Fund Claims	2,240,033	4,035,459
Guaranty Fund Reserves	1,124,577	3,501,490
Less: Ceded Case Reserves	(56,694)	(122,701)
Less: Ceded Case Reserves - Intercompany	-	(2,086,312)
Policyholder Claims	3,004,556	391,885
Assumed Claims - Intercompany	1,913,250	14,490
Policyholder Reserves	2,436,503	745,000
Assumed Case Reserves - Intercompany	2,552,310	-
Less: Ceded Case Reserves	(251,506)	(465,998)
Federal Tax IRS	-	-
Total Class 3 Expenses	12,963,028	6,013,314
Class 4 - Unearned Premium & Deductible		
Unearned Premium	1,879,456	409,272
Unearned Premium - Intercompany	12,922	-
Policyholder Deductible	28,299	15,412
Total Class 4 Expenses	1,920,677	424,683
Class 5 - General Creditors		
Commissions	-	25,434
General Creditors	78,771	279,776
Unpaid State/Local Taxes	2,911	-
Total Class 5 Expenses	81,681	305,210
Class 6 - Judgements	-	-
Class 7 - Interest		
Interest	312,376	150,459
Interest - Intercompany	122,921	-
Total Class 7 Expenses	435,297	150,459
Class 8 - Late Filed		
Late Filed Claims	-	38,366
Late Filed Claims - Intercompany	44,000	-
Deductible	6,950	34,537
Interest	363	371
Interest - Intercompany	1,100	-
Total Class 8 Expenses	52,413	73,274
Class 9 - N/A	-	-
Class 10 - N/A	-	-
Class 11 - Stockholders	-	-
Total Liabilities	16,773,554	8,521,130

Policyholders' Surplus

Policyholders' Surplus - Beginning	(1,519,366)	(5,955,785)
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)	(1,291,753)	(1,780,333)
Total Policyholders' Surplus	9,230,594	263,882
Total Liabilities and Policyholders' Surplus	26,004,148	8,785,012

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CIRCUIT COURT
DANE COUNTY, WI
2023CV001310

The WRC Group
Income Statement
3/31/2025

	WRC	1st Auto
Premium Written	(8,958)	2,709
Assumed Losses Incurred	(1,602,244)	(437,988)
Ceded Losses Incurred	200,321	282,511
Change in Case Reserves	851,805	386,473
Change in Ceded Case Reserves	105,767	(1,670,995)
Change in Ceded Case Reserves - Intercompany	-	823,958
Loss Expenses Incurred	(96,599)	(30,289)
Other Underwriting Expenses	-	-
Assumed Losses - Interest Expense	(122,961)	(150,830)
Underwriting Income/(Loss)	(672,869)	(794,450)
Investment Income Earned	178,747	45,998
Net Realized Capital Gain/(Loss)	-	738
Miscellaneous Income	5	39,546
Net Investment and Misc Income/(Loss)	178,751	86,283
Guaranty Funds Admin Expenses	(99,255)	(296,830)
Noble Consulting Expense	(103,450)	(103,450)
Attorney Expense	(1,188)	(1,188)
Employee Expense	(301,564)	(500,370)
Facilities Expense	(49,206)	-
Software & Systems Expense	(83,786)	(150,239)
Finance Expense	(129,388)	(8,009)
Other Operating Expense	(29,799)	(12,081)
Operating Expenses	(797,635)	(1,072,166)
Net Income (Loss)	(1,291,753)	(1,780,333)

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