

FILED

02-10-2025

833 EAST MICHIGAN STREET, SUITE 1800
MILWAUKEE, WISCONSIN 53202-5615
DANE COUNTY, WI
TEL • 414.273.3500 FAX • 414.273.5198
2023CV001310
WWW • GKLaw.COM



Direct: 414-287-9435
Email: tbaish@gklaw.com

February 10, 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 December 31, 2024.

Sincerely,
GODFREY & KAHN, S.C.

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

Anthony S. Baish

ASB:sm

32530176.1

FILED
02-10-2025
CIRCUIT COURT
DANE COUNTY, WI
2023CV001310

The WRC Group
Income Statement
12/31/2024

	WRC	1st Auto
Premium Written	(2,284,615)	(1,234,899)
Assumed Losses Incurred	(10,205,976)	(3,243,194)
Ceded Losses Incurred	2,379,275	2,353,093
Change in Case Reserves	7,539,590	1,728,144
Change in Ceded Case Reserves	(1,754,100)	(93,310)
Change in Ceded Case Reserves - Intercompany	-	(865,000)
Loss Expenses Incurred	(153,119)	(137,713)
Other Underwriting Expenses	567,422	128,080
Assumed Losses - Interest Expense	(313,799)	-
Underwriting Income/(Loss)	(4,225,322)	(1,364,798)
Investment Income Earned	697,015	219,516
Net Realized Capital Gain/(Loss)	98,741	(14,128)
Miscellaneous Income	19,918	82,538
Net Investment and Misc Income/(Loss)	815,674	287,927
Guaranty Funds Admin Expenses	(377,575)	(1,207,339)
Noble Consulting Expense	(517,020)	(517,020)
Attorney Expense	(56,761)	(70,597)
Employee Expense	(1,692,861)	(2,333,440)
Facilities Expense	(166,703)	-
Software & Systems Expense	(680,700)	(672,860)
Finance Expense	(137,128)	(216,341)
Other Operating Expense	(217,683)	(423,940)
Operating Expenses	(3,846,431)	(5,441,535)
Net Income (Loss)	(7,256,079)	(6,518,406)

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
12/31/2024

Assets	WRC	1st Auto
Cash and Invested Assets		
Cash	2,560,449	2,744,504
Segregated Funds for Court Approved Claims not yet Settled	3,381,382	-
Cash Equivalents	1,923,723	1,323,475
Bonds	13,302,595	4,243,277
Preferred Stock	292,640	-
Common Stock	2,637,030	-
Receivable for securities	11,772	-
Net Real Estate	3,449,708	-
Total Cash and Invested Assets	27,559,298	8,311,256
Other Assets		
Premium Receivable	96,265	82,094
Reins Loss/LAE Recoverable on Paid	465,067	33,723
Reins Loss/LAE Recoverable on Paid - Intercompany	13,335	1,686,506
Interest Expense Recoverable on Paid - Intercompany		84,496
Bank Security Deposit	50,000	-
Accounts Receivable - Other	1,000	-
Total Other Assets	625,667	1,886,819
Total Assets	28,184,965	10,198,076

Liabilities & Equity	WRC	1st Auto
Class 1 - Administrative Expenses		
Guaranty Funds Admin Expenses	106,185	854,221
Liquidation Staffing - 2025 Budget	1,121,017	1,509,099
Facilities & Systems - 2025 Budget	312,567	363,365
Total Class 1 Expenses	1,539,769	2,726,685
Class 3 - Loss Claims		
Guaranty Fund Claims	3,258,049	3,542,929
Guaranty Fund Reserves	1,579,734	3,887,963
Less: Ceded Case Reserves	(45,912)	-
Less: Ceded Case Reserves - Intercompany	-	(2,807,393)
Policyholder Claims	2,237,520	391,885
Assumed Claims - Intercompany	1,629,583	13,335
Policyholder Reserves	2,009,192	750,000
Assumed Case Reserves - Intercompany	3,376,268	-
Less: Ceded Case Reserves	(156,519)	(568,875)
Federal Tax IRS	-	-
Total Class 3 Expenses	13,887,915	5,209,844
Class 4 - Unearned Premium & Deductible		
Unearned Premium	1,879,456	444,132
Unearned Premium - Intercompany	12,922	-
Deductible	-	13,700
Total Class 4 Expenses	1,892,378	457,832
Class 5 - General Creditors		
Commissions	-	111,808
General Creditors	78,771	193,402
Unpaid State/Local Taxes	2,911	-
Total Class 5 Expenses	81,681	305,210
Class 6 - Judgements		
	-	-
Class 7 - Interest		
Interest	229,134	-
Interest - Intercompany	83,946	-
Total Class 7 Expenses	313,080	-
Class 8 - Late Filed		
Late Filed Claims	-	37,866
Late Filed Claims - Intercompany	44,000	-
Deductible	-	1,388
Interest	169	-
Interest - Intercompany	550	-
Total Class 8 Expenses	44,719	39,254
Class 9 - N/A		
	-	-
Class 10 - N/A		
	-	-
Class 11 - Stockholders		
	-	-
Total Liabilities	17,759,543	8,738,825

Policyholders' Surplus

Policyholders' Surplus - Beginning	5,639,788	(22,344)
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)	(7,256,079)	(6,518,406)
Total Policyholders' Surplus	10,425,422	1,459,250
Total Liabilities and Policyholders' Surplus	28,184,965	10,198,076