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08-21-2024

833 EAST MICHIGAN STREET, SUITE 1800
MILWAUKEE, WISCONSIN 53202-5615

CIRCUIT COURT

DANE COUNTY, WI

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2023CV001310

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GODFREY & KAHN

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August 21, 2024

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

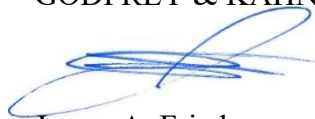
RE: Wisconsin Reinsurance Corporation and 1st Auto & Casualty Insurance
Company
Case No. 2023-CV-1310

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, 2024.

Sincerely,

GODFREY & KAHN, S.C.



James A. Friedman

JAF:sm

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DANE COUNTY, WI
2023CV001310

The WRC Group
Income Statement
6/30/2024

	WRC	1st Auto
Premium Written	(2,450,981)	(1,238,423)
Assumed Losses Incurred	(6,216,829)	(1,733,020)
Ceded Losses Incurred	1,461,242	1,333,484
Change in Case Reserves	(69,792)	(5,901,917)
Change in Ceded Case Reserves	(668,043)	123,470
Change in Ceded Case Reserves - Intercompany	-	4,313,331
Loss Expenses Incurred	(64,692)	(15,952)
Other Underwriting Expenses	567,500	128,064
Underwriting Income/(Loss)	(7,441,594)	(2,990,963)
Investment Income Earned	341,306	110,722
Net Realized Capital Gain/(Loss)	98,741	(16,015)
Miscellaneous Income	4,498	(202)
Net Investment and Misc Income/(Loss)	444,546	94,505
Guaranty Funds Admin Expenses	(29,122)	(409,577)
Noble Consulting Expense	(256,379)	(256,379)
Attorney Expense	(30,969)	(33,039)
Employee Expense	(1,061,761)	(1,251,487)
Facilities Expense	(92,082)	-
Software & Systems Expense	(382,782)	(443,928)
Finance Expense	(77,998)	(249,672)
Other Operating Expense	(144,875)	(120,539)
Operating Expenses	(2,075,968)	(2,764,621)
Net Income (Loss)	(9,073,016)	(5,661,080)

The WRC Group
Balance Sheet
6/30/2024

Assets	WRC	1st Auto
Cash and Invested Assets		
Cash	9,727,732	1,367,696
Cash Equivalents	1,360,807	2,166,918
Bonds	13,355,590	4,578,453
Preferred Stock	298,310	-
Common Stock	2,629,755	-
Receivable for securities	16,756	-
Net Real Estate	3,503,538	-
Total Cash and Invested Assets	30,892,487	8,113,067
Other Assets		
Premium Receivable	308,025	78,158
Reins Loss/LAE Recoverable on Pairs	1,009,461	394,198
Reins Loss/LAE Recoverable on Pairs - Intercompany	23,809	2,214,557
Bank Security Deposit	50,000	-
Accounts Receivable - Other	2,700	-
Cash Surrender Value - Life Insurance	187,719	-
Total Other Assets	1,581,714	2,686,913
Total Assets	32,474,201	10,799,980
Liabilities & Equity	WRC	1st Auto
Class 1 - Administrative Expenses		
Guaranty Funds Admin Expenses	29,122	409,577
Liquidation Staffing - 2024 Budget	1,402,074	1,731,807
Facilities & Systems - 2024 Budget	379,454	564,079
Total Class 1 Expenses	1,810,650	2,705,463
Class 3 - Loss Claims		
Guaranty Fund Claims	1,702,551	2,008,876
Guaranty Fund Reserves	2,740,032	5,674,530
Less: Ceded Case Reserves	(242,237)	(396,151)
Less: Ceded Case Reserves - Intercompany	-	(3,743,985)
Policyholder Claims	3,363,418	211,901
Assumed Claims - Intercompany	2,214,557	23,809
Policyholder Reserves	3,279,944	6,593,495
Assumed Case Reserves - Intercompany	8,554,599	-
Less: Ceded Case Reserves	(1,046,251)	(4,810,614)
Federal Tax IRS	-	-
Total Class 3 Expenses	20,566,613	5,561,861
Class 4 - WI Unearned Premium & Deductible		
Unearned Premium	1,882,042	467,878
Total Class 4 Expenses	1,882,042	467,878

Class 5 - General Creditors

Commissions		26,115
General Creditors	78,770	22,079
Unpaid State/Local Taxes	2,911	
Total Class 5 Expenses	81,681	48,194

Class 6 - Judgements

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Class 7 - Interest

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Class 8 - Late Filed

Deductible	-	1,388
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Total Class 8 Expenses	-	1,388
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Class 9 - N/A

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Class 10 - N/A

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Class 11 - Stockholders

Total Liabilities	24,340,986	8,784,784
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Policyholders' Surplus

Policyholders' Surplus - Beginning	5,164,518	(323,724)
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Common Capital Stock	418,365	7,000,000
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Preferred Capital Stock	4,607	-
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Additional Paid in Capital	13,230,300	1,000,000
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Treasury Stock	(1,611,559)	-
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Net Income (Loss)	(9,073,016)	(5,661,080)
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Total Policyholders' Surplus	8,133,215	2,015,196
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Total Liabilities and Policyholders' Surplus	32,474,201	10,799,980
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