



November 1, 2023

Re: Notice of Petition for Liquidation of 1st Auto & Casualty Insurance Company and Termination of Coverage

Dear 1st Auto Appointed Agents:

You are receiving this notice based on your status as an insurance intermediary appointed by 1st Auto & Casualty Insurance Company (“1st Auto”). This notice relates to the currently in-force insurance policies your clients may have with 1st Auto. Please read this notice carefully.

PETITION FOR LIQUIDATION

On November 1, 2023, the Wisconsin Office of Commissioner of Insurance (the “OCI”) filed in the Dane County Circuit Court in the state of Wisconsin a Petition for Liquidation (“Petition”) with respect to Wisconsin Reinsurance Corporation (“WRC”) and its subsidiary, 1st Auto. WRC and 1st Auto are Wisconsin domiciled stock property and casualty insurance companies, with their main administrative office at 2810 City View Drive, Madison, WI 53718. Since June 21, 2023, WRC and 1st Auto have been in rehabilitation. The Dane County Circuit Court will schedule a hearing, if necessary, on the Petition.

The proposed effective date of the liquidation order is January 1, 2024. A copy of the Petition and other filings, frequently asked questions, and current information on the proposed liquidation of WRC and 1st Auto can be found on the OCI’s website at oci.wi.gov/WRC.

The OCI petitioned for liquidation when it became apparent rehabilitation of WRC and 1st Auto was no longer feasible. The Petition asks the court to appoint Wisconsin Commissioner of Insurance, Nathan Houdek, and his successors in office, as Liquidator of WRC and 1st Auto, and Justin Schrader of Noble Consulting Services as Special Deputy Commissioner for the liquidation.

Following the effective date of the liquidation order, you will receive additional notice of the liquidation based on your status as an agent of 1st Auto and potential creditor.

TERMINATION OF COVERAGE

The liquidation of 1st Auto will impact insurance coverage under a policy issued by the company. We urge you to contact your current clients with policies issued by 1st Auto immediately so they may seek replacement coverage as soon as possible. If no action is taken and 1st Auto is placed into liquidation coverage will be terminated as described below.

The proposed effective date for the liquidation order is January 1, 2024. Pursuant to § 645.43(1), Wis. Stat., all insurance policies issued by 1st Auto will be terminated based on the court order at the earliest of the following dates:

- (a) 15 days after the date of entry of the liquidation order, or
- (b) The normal date for the expiration of coverage; or
- (c) The date the insured has replaced the insurance coverage with equivalent insurance in another insurer; or
- (d) The date the Liquidator has affected a transfer of the policy obligation pursuant to §645.46(8), which ever time is less.

Following the effective date of the liquidation order you will receive additional correspondence detailing the procedures for filing proofs of claims and potential coverage through the insurance guaranty association in your state.

YOUR DUTIES AS AN INDEPENDENT AGENT OF 1ST AUTO

Please note, following the effective date of the liquidation order, pursuant to Wis. Stat. § 645.48, you may be required to provide written and oral notice of the liquidation order to each policyholder or other person named in any policy issued through you by 1st Auto.

You must provide written notice by first class mail to the last address contained in your records to each policyholder or other person named in any policy issued through you by 1st Auto if you have record of the address of the policyholder or other person. Policies are deemed issued through you if you have a property interest in the expiration of the policy or if you have had in your possession a copy of the declarations of the policy at any time during the life of the policy. You do not need to provide this notice if ownership of the declarations of the policy has been transferred to another agent. You also do not need to provide notice if, at the time of the entry of the liquidation order (which is anticipated to be January 1, 2024), a reinsurer or similar entity other than 1st Auto had assumed direct responsibility for the policy at issue.

Any written notice provided must include the name and address of 1st Auto in Liquidation, your name and address, and identification of the policy impaired. Any written notice provided must also describe the nature of the impairment of the policy under Wis. Stat. § 645.43 or be accompanied by a copy of the Policyholder Notice available at oci.wi.gov/WRC.

State law requires that you provide this notice as soon as practicable. You must also provide immediate oral notice, by telephone or otherwise, of the liquidation order and information contained in the written notice to any person receiving written notice, so far as practicable.

You will receive additional notice relating to these responsibilities following the effective date of the liquidation order.

If you have any questions, please contact:

Justin Schrader
Special Deputy Rehabilitator
1st Auto & Casualty Insurance Company
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Madison, WI 53718
Telephone: (402) 617-9340
E-Mail: jschrader@noblecon.net

Sincerely,



Justin Schrader
Special Deputy Rehabilitator
1st Auto & Casualty Insurance Company