



ONE EAST MAIN STREET, SUITE 500 • POST OFFICE BOX 2719  
MADISON, WISCONSIN 53701-2719  
TEL • 608.257.3911 FAX • 608.257.0609  
www.gklaw.com

**FILED**  
**08-18-2022**  
**CIRCUIT COURT**  
**DANE COUNTY, WI**  
**2019CV001209**

Direct: 608-284-2617  
Jfriedman@gklaw.com

August 18, 2022

**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 Liquidation of Northwestern National Insurance Company of Milwaukee, WI (“NNIC”)  
Case No. 2019-CV-001209

Dear Judge Ehlke:

We are filing with this letter NNIC’s quarterly financial statements as of June 30, 2022.

Sincerely,

GODFREY & KAHN, S.C.

James A. Friedman

JAF:ldk

27721294.1

**Northwestern National Insurance Company**  
**Financial Statements**  
**June 30, 2022**

**Northwestern National Insurance Company**  
**Statement of Admitted Assets, Liabilities & Policyholders' Surplus**  
**June 30, 2022**

	June 30, 2022	December 31, 2021
<b>ADMITTED ASSETS</b>		
CASH & INVESTMENTS:		
Cash	2,915,128	2,897,426
Restricted Cash **	1,465,342	1,462,179
Restricted Bonds **	530,490	528,426
Total Cash & Investments	<b>\$ 4,910,959</b>	<b>\$ 4,888,031</b>
Accrued Investment Income	10,150	6,605
<b>TOTAL ADMITTED ASSETS</b>	<b>\$ 4,921,109</b>	<b>\$ 4,894,636</b>
<b>LIABILITIES &amp; POLICYHOLDERS' SURPLUS</b>		
LIABILITIES:		
Distribution Class 1 - Unpaid LAE Reserves	271,016	271,016
Distribution Class 1 - Unpaid Admin Expenses (P&C)	1,265,105	1,265,105
Distribution Class 1 - Unpaid Admin Expenses (Life and Health)	2,232,468	2,232,468
Distribution Class 3 - Unpaid Case Loss Reserves (P&C)	10,367,551	10,367,551
Distribution Class 3 - Unpaid Case Loss Reserves (Life and Health)	4,801,526	4,801,526
Distribution Class 3 - Unpaid GA Paid Losses (P&C)	2,882,987	2,882,987
Distribution Class 3 - Unpaid GA Paid Losses (Life and Health)	1,158,489	1,158,489
Distribution Class 3 - Unpaid Proof of Claims	657,388,741	657,388,741
Distribution Class 4 - Unearned Premiums	123,688	123,688
Distribution Class 5 - Other Claimant Liabilities	5,364,460	5,364,460
Distribution Class 5 - Unpaid Proof of Claims	33,949	33,949
Funds Held	1,837,722	1,837,722
Other Payables	2,041	2,041
Total Liabilities	<b>\$ 687,729,744</b>	<b>\$ 687,729,744</b>
SURPLUS:		
Policyholders' Surplus (Deficit) - Beginning	(682,835,107)	(22,012,869)
Change in Compass Insurance Company	-	-
Net Income (Loss)	26,473	(660,822,238)
Total Policyholders' Surplus (Deficit) - Ending	<b>\$ (682,808,634)</b>	<b>\$ (682,835,107)</b>
<b>TOTAL LIABILITIES &amp; POLICYHOLDERS' SURPLUS (DEFICIT)</b>	<b>\$ 4,921,109</b>	<b>\$ 4,894,636</b>

\*\* Restricted cash and bonds are held by various states that are not being released to the estate for claims paying resources.

**Northwestern National Insurance Company**  
**Statement of Operations**  
**June 30, 2022**

	For the Period ended June 30, 2022	For the year ended December 31, 2021
NET PREMIUMS EARNED:	\$ -	\$ -
NET LOSSES AND LAE INCURRED:		
Net Losses Paid - P&C	-	484,445
Net Losses Paid - L&H	-	1,158,489
Change in Unpaid Losses and IBNR - P&C	-	1,054,992
Change in Unpaid Losses and IBNR - L&H	-	9,068
Change in Unpaid Proof of Claims	-	657,422,690
Change in Unpaid LAE and IBNR - P&C	-	(55,561)
Total Net Losses and LAE Incurred	\$ -	\$ 660,074,122
OPERATING EXPENSES:		
Salaries and Wages	7,620	17,497
Travel and Meetings	-	181
Rent	-	6,268
Office Costs	10,760	40,818
Legal and Consulting Fees	11,600	198,105
Service Fees	17,595	339,424
Investment Funds Seized by the State	-	500,873
Other Expenses (Income)	-	9,549
Total Operating Expenses	\$ 47,575	\$ 1,112,715
<b>UNDERWRITING LOSS</b>	<b>\$ (47,575)</b>	<b>\$ (661,186,837)</b>
INVESTMENT & OTHER INCOME:		
Interest Income	7,548	(5,559)
Realized Gain (Loss) on Investments	-	171,523
Funds Received from Redemption of Letters of Credit	66,500	198,634
Total Investment & Other Income (Loss)	\$ 74,048	\$ 364,598
<b>NET INCOME (LOSS)</b>	<b>\$ 26,473</b>	<b>\$ (660,822,239)</b>