

FILED
02-23-2022
CIRCUIT COURT
DANE COUNTY, WI
2019CV001209



Wisconsin Office of the
COMMISSIONER OF INSURANCE

LEGAL UNIT

Tony Evers, Governor of Wisconsin
Nathan Houdek, Commissioner of Insurance

February 23, 2022

VIA E-Filing ONLY
Honorable Steven Ehlke
215 S. Hamilton Street
Madison, WI 53703

RE: Liquidation of Northwestern National Insurance Company of Milwaukee, WI (“NNIC”)
Case No. 2019CV001209

Dear Judge Ehlke,

Please find NNIC’s Financial Statements as of December 31, 2021 for filing.

Sincerely,

A handwritten signature in black ink that reads "Julie E. Walsh".

Julie E. Walsh
Senior Attorney
Wisconsin Office of the Commissioner of Insurance

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

In the Matter of the Liquidation
of Northwestern National Insurance Company
of Milwaukee, Wisconsin

Case No. 2019CV001209

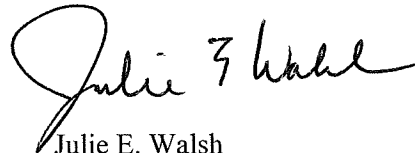
Code No. 30703

NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE ("NNIC")
FINANCIAL STATEMENT AS OF DECEMBER 31, 2021

Dated: February 23, 2022

Julie E. Walsh
Senior Attorney

Attorney for the Commissioner of
Insurance of the State of Wisconsin,
as Liquidator of NNIC



Julie E. Walsh
State Bar No. 1026158
125 S. Webster Street
Madison, WI 53703
(608) 264-8101

**QUARTERLY FINANCIAL STATEMENT OF " THE LIQUIDATION OF
NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE WISCONSIN
AS OF DECEMBER 31, 2021.**

Prepared by:

**The Wisconsin Office of the Commissioner of Insurance as the
Court-Appointed Liquidator of Northwestern National Insurance Company of Milwaukee**

Dated: February 23, 2022

Disclaimer: *This Financial Statement prepared by the court-appointed Liquidator of Northwestern National Insurance Company ("NNIC"), updates the Court on the financial status of NNIC as of December 31, 2021.*

This financial report may not be relied upon for any purpose other than to obtain information about the status of the Liquidation Proceedings generally. Nothing contained herein will constitute an admission of any fact or of any liability by any party with regard to any claim or litigation, including, but not limited to, any proceedings involving the Liquidation or any other party, or any proceeding with respect to any legal effects of the Liquidator or the NNIC accounts.

The Liquidator does not make any warranty, express or implied, as to the accuracy or completeness of the information contained herein.

**Northwestern National Insurance Company
Financial Statements
December 31, 2021**

Northwestern National Insurance Company
Statement of Admitted Assets, Liabilities & Policyholders' Surplus
December 31, 2021 and 2020

	2021	2020
ADMITTED ASSETS		
CASH & INVESTMENTS:		
Cash	2,897,426	2,271,085
Restricted Cash **	1,462,179	1,261,422
Escrowed Court Funds	-	760,590
Restricted Bonds **	528,426	1,879,043
Total Cash & Investments	\$ 4,888,031	\$ 6,172,140
Accrued Investment Income	6,605	20,294
Reinsurance Recoverable on Paid Losses	-	2,288
TOTAL ADMITTED ASSETS	\$ 4,894,636	\$ 6,194,722
LIABILITIES & POLICYHOLDERS' SURPLUS		
LIABILITIES:		
Distribution Class 1- Unpaid LAE Reserves	271,016	326,578
Distribution Class 1 - Unpaid Admin Expenses (P&C)	1,265,105	1,417,261
Distribution Class 1 - Unpaid Admin Expenses (Life and Health)	2,232,468	1,976,327
Distribution Class 3 - Unpaid Case Loss Reserves (P&C)	10,367,551	9,312,560
Distribution Class 3 - Unpaid Case Loss Reserves (Life and Health)	4,801,526	4,792,458
Distribution Class 3 - Unpaid GA Paid Losses (P&C)	2,882,987	1,881,591
Distribution Class 3 - Unpaid GA Paid Losses (Life and Health)	1,158,489	1,172,928
Distribution Class 3 - Unpaid Proof of Claims	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	-
Funds Held	1,837,722	1,837,699
Other Payables	2,041	2,041
Total Liabilities	\$ 687,729,744	\$ 28,207,591
SURPLUS:		
Policyholders' Surplus (Deficit) - Beginning	(22,012,869)	(4,301,290)
Change in Compass Insurance Company	-	3,701,102
Net Loss	(660,822,238)	(21,412,681)
Total Policyholders' Surplus (Deficit) - Ending	\$ (682,835,107)	\$ (22,012,869)
TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS (DEFICIT)	\$ 4,894,636	\$ 6,194,722

** 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
For the Years Ended December 31, 2021 and 2020

	2021	2020
NET PREMIUMS EARNED:	\$ -	\$ -
NET LOSSES AND LAE INCURRED:		
Net Losses Paid - P&C	484,445	994,070
Net Losses Paid - L&H	1,158,489	1,172,928
Change in Unpaid Losses and IBNR - P&C	1,054,992	5,908,071
Change in Unpaid Losses and IBNR - L&H	9,068	4,792,458
Change in Unpaid Proof of Claims	657,422,690	-
Change in Unpaid LAE and IBNR - P&C	(55,561)	(162,580)
Total Net Losses and LAE Incurred	\$ 660,074,122	\$ 12,704,946
OPERATING EXPENSES:		
Salaries and Wages	17,497	35,704
Travel and Meetings	181	5,972
Rent	6,268	35,126
Software and Equipment	-	14,688
Office Costs	40,818	523,005
Legal and Consulting Fees	198,105	557,625
Service Fees	339,424	2,405,242
Distribution Class 5 - Adjustment to Other Claimant Liabilities	-	(3,906,786)
Investment Funds Seized by the State	500,873	-
Other Expenses (Income)	9,549	(467,501)
Total Operating Expenses	\$ 1,112,715	\$ (796,924)
UNDERWRITING LOSS	\$ (661,186,836)	\$ (11,908,022)
INVESTMENT & OTHER INCOME:		
Interest Income	(5,559)	58,284
Realized Gain (Loss) on Investments	171,523	(9,562,944)
Funds Received from Redemption of Letters of Credit	198,634	-
Total Investment & Other Income (Loss)	\$ 364,598	\$ (9,504,660)
NET LOSS	\$ (660,822,238)	\$ (21,412,681)