

FILED
08-25-2022
CIRCUIT COURT
DANE COUNTY, WI
2019CV001209

STATE OF WISCONSIN : CIRCUIT COURT : DANE COUNTY
BRANCH 15

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

Case No. 2019-CV-1209

Case Code: 30703

c/o: Office of the Commissioner of Insurance
125 South Webster Street
Madison, WI 53703

NOTICE OF MOTION AND MOTION TO APPROVE COMMUTATION

TO: All Interested Parties

NOTICE

PLEASE TAKE NOTICE that the Commissioner of Insurance of the State of Wisconsin, Nathan Houdek, as Liquidator of Northwestern National Insurance Company of Milwaukee (“NNIC”), brings this Motion to Approve Commutation for hearing, if necessary, before the Circuit Court for Dane County, the Hon. Stephen E. Ehlke, in the Dane County Courthouse, 215 S. Hamilton Street, Madison, WI 53703-3285, on a date and at a time to be determined by the Court. Objections to this Motion, along with supporting documentation, shall be filed with the Court and served on the Liquidator, by his attorneys, and any other party who has filed an appearance in this action, within 14 days of the filing of this Motion.

MOTION

The Liquidator hereby moves the Court, pursuant to Wis. Stat. §645.46 and chapter 645, in general, to enter an Order approving the August 22, 2022 Settlement Agreement between

NNIC and United Insurance Company (“United”) (the “Commutation Agreement”). A true and correct copy of the Commutation Agreement is appended to this Motion as Exhibit A. As grounds for this Motion, the Liquidator states as follows:

1. NNIC and United entered into various Reinsurance Agreements in which United reinsured certain liabilities on certain insurance programs that NNIC fronted for a number of large corporations between 1979 and 1986.

2. The Liquidator currently holds as collateral against United’s obligations \$1,013,066.

3. United’s reinsurance liabilities, however, are significantly less than the collateral held by the Liquidator.

4. The parties have entered into the Commutation Agreement through which the Liquidator will pay United \$731,563.72, and the Liquidator will retain \$281,502.28.

5. The Liquidator has reviewed the Commutation Agreement and performed extensive due diligence concerning the proposed commutation. Based on that review, the Liquidator has determined that it would be in the best interest of NNIC policyholders and the public for the Liquidator to enter into the Commutation Agreement.

6. Pursuant to Wis. Stat. §645.46(6), the Liquidator may “perform any other acts necessary or expedient to collect, preserve, or protect its assets.” The Liquidator believes that the August 22, 2022 Commutation Agreement constitutes such an act and is appropriate in his efforts to liquidate NNIC.

NOW, THEREFORE, for the reasons stated above and based on the entire record in this action, the Liquidator asks the Court to enter an order approving the August 22, 2022 Commutation Agreement between NNIC and United.

Dated at Madison, Wisconsin, this 25th day of August 2022.

GODFREY & KAHN, S.C.
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Respectfully submitted,

GODFREY & KAHN, S.C.

By: Electronically signed by James A. Friedman
James A. Friedman
Zachary P. Bemis
Attorneys for Petitioner Mark Afable,
Commissioner of Insurance of the State of
Wisconsin

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