

**GODFREY & KAHN** S.C.

**FILED**  
**05-04-2023**  
**CIRCUIT COURT**  
**DANE COUNTY, WI**  
**2019CV001209**  
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May 4, 2023

**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 March 31, 2023.

Sincerely,

GODFREY & KAHN, S.C.



Zachary Bemis

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**DANE COUNTY, WI**  
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**Northwestern National Insurance Company**  
**Financial Statements**  
**March 31, 2023**

**Northwestern National Insurance Company**  
**Statement of Assets, Liabilities & Policyholders' Surplus**  
**March 31, 2023**

<b>ASSETS</b>		
	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<b>CASH &amp; INVESTMENTS:</b>		
Cash	2,997,002	2,307,752
Restricted Cash **	412,466	1,468,504
Restricted Bonds **	-	227,793
Total Cash & Investments	<u>\$ 3,409,467</u>	<u>\$ 4,004,049</u>
Accrued Investment Income	-	4,748
<b>TOTAL ASSETS</b>	<b><u>\$ 3,409,467</u></b>	<b><u>\$ 4,008,797</u></b>
<b>LIABILITIES &amp; POLICYHOLDERS' SURPLUS</b>		
<b>LIABILITIES:</b>		
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	888,573	888,573
Other Payables	2,041	2,041
Total Liabilities	<u>\$ 686,780,595</u>	<u>\$ 686,780,595</u>
<b>SURPLUS:</b>		
Policyholders' Surplus (Deficit) - Beginning	(682,771,797)	(682,835,107)
Change in Compass Insurance Company	-	-
Net Income (Loss)	(599,330)	63,310
Total Policyholders' Surplus (Deficit) - Ending	<u>\$ (683,371,127)</u>	<u>\$ (682,771,797)</u>
<b>TOTAL LIABILITIES &amp; POLICYHOLDERS' SURPLUS (DEFICIT)</b>	<b><u>\$ 3,409,467</u></b>	<b><u>\$ 4,008,797</u></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**  
**March 31, 2023**

	<u>For the Period ended March 31, 2023</u>	<u>For the year ended December 31, 2022</u>
NET PREMIUMS EARNED:	\$ -	\$ -
NET LOSSES AND LAE INCURRED:		
Net Losses Paid - P&C	-	-
Net Losses Paid - L&H	-	-
Change in Unpaid Losses and IBNR - P&C	-	-
Change in Unpaid Losses and IBNR - L&H	-	-
Change in Unpaid Proof of Claims	-	-
Change in Unpaid LAE and IBNR - P&C	-	-
Total Net Losses and LAE Incurred	<u>\$ -</u>	<u>\$ -</u>
OPERATING EXPENSES:		
Salaries and Wages	387	14,093
Office Costs	6,498	25,194
Legal and Consulting Fees	20,247	51,892
Service Fees	-	26,610
Investment Funds Seized by the State	568,665	305,000
Total Operating Expenses	<u>\$ 595,796</u>	<u>\$ 422,789</u>
<b>UNDERWRITING LOSS</b>	<b><u>\$ (595,796)</u></b>	<b><u>\$ (422,789)</u></b>
INVESTMENT & OTHER INCOME:		
Interest Income	(2,558)	7,731
Realized Gain (Loss) on Investments	(1,939)	-
State Deposits Returned	963	194,283
Funds Received from Redemption of Letters of Credit	-	284,085
Total Investment & Other Income (Loss)	<u>\$ (3,534)</u>	<u>\$ 486,100</u>
<b>NET INCOME (LOSS)</b>	<b><u>\$ (599,330)</u></b>	<b><u>\$ 63,310</u></b>