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FILED
10-23-2023
CIRCUIT COURT
DANE COUNTY, WI
2019CV001209

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October 23, 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 September 30, 2023.

Sincerely,

GODFREY & KAHN, S.C.

Zachary Bemis

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DANE COUNTY, WI
2019CV001209

Northwestern National Insurance Company
Financial Statements
September 30, 2023

Northwestern National Insurance Company
Statement of Assets, Liabilities & Policyholders' Surplus
September 30, 2023

ASSETS		
	<u>September 30, 2023</u>	<u>December 31, 2022</u>
CASH & INVESTMENTS:		
Cash	3,239,927	2,307,752
Restricted Cash **	-	1,468,504
Restricted Bonds **	-	227,793
Total Cash & Investments	<u>\$ 3,239,927</u>	<u>\$ 4,004,049</u>
Accrued Investment Income	-	4,748
TOTAL ASSETS	<u>\$ 3,239,927</u>	<u>\$ 4,008,797</u>
LIABILITIES & POLICYHOLDERS' SURPLUS		
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	551,107	888,573
Other Payables	2,041	2,041
Total Liabilities	<u>\$ 686,443,129</u>	<u>\$ 686,780,595</u>
SURPLUS:		
Policyholders' Surplus (Deficit) - Beginning	(682,771,797)	(682,835,107)
Change in Compass Insurance Company	-	-
Net Income (Loss)	(431,405)	63,310
Total Policyholders' Surplus (Deficit) - Ending	<u>\$ (683,203,202)</u>	<u>\$ (682,771,797)</u>
TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS (DEFICIT)	<u>\$ 3,239,927</u>	<u>\$ 4,008,797</u>

** 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
September 30, 2023

	<u>For the Period ended</u> <u>September 30, 2023</u>	<u>For the year ended</u> <u>December 31, 2022</u>
NET PREMIUMS EARNED:	\$ -	\$ -
NET LOSSES AND LAE INCURRED:		
Net Losses Paid - P&C	(154,688)	-
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>\$ (154,688)</u>	<u>\$ -</u>
OPERATING EXPENSES:		
Salaries and Wages	3,269	14,093
Office Costs	23,754	25,194
Legal and Consulting Fees	38,132	51,892
Service Fees	4,500	26,610
Investment Funds Seized by the State	652,373	305,000
Total Operating Expenses	<u>\$ 722,029</u>	<u>\$ 422,789</u>
UNDERWRITING LOSS	<u>\$ (567,341)</u>	<u>\$ (422,789)</u>
INVESTMENT & OTHER INCOME:		
Interest Income	23,473	7,731
Realized Gain (Loss) on Investments	(1,939)	-
Funds Received from Commutation and Class 5 Liquidation Distribution	114,402	-
State Deposits Returned	-	194,283
Funds Received from Redemption of Letters of Credit	-	284,085
Total Investment & Other Income (Loss)	<u>\$ 135,936</u>	<u>\$ 486,100</u>
NET INCOME (LOSS)	<u>\$ (431,405)</u>	<u>\$ 63,310</u>