



January 2, 2024

**NOTICE OF LIQUIDATION OF
1ST AUTO & CASUALTY INSURANCE COMPANY**

TO: APPOINTED INSURANCE AGENTS OF 1ST AUTO & CASUALTY INSURANCE COMPANY

This communication is to (1) provide you notice of the liquidation of 1st Auto & Casualty Insurance Company as a potential creditor of the company and (2) inform you of your duties under Wisconsin law to communicate with policyholders and other beneficiaries of insurance policies issued through you and by 1st Auto regarding the liquidation.

LIQUIDATION ORDER

On January 2, 2024, 1st Auto & Casualty Insurance Company (“1st Auto”), a property and casualty insurer domiciled in Wisconsin that maintains its main administrative office and statutory home office at 2810 City View Drive Madison, WI 53718 was placed in liquidation effective on January 1, 2024 by order of Dane County Circuit Court, state of Wisconsin (the “Liquidation Order”).

The Court appointed Wisconsin Commissioner of Insurance, Nathan Houdek, and his successors in office or any of their delegates as Liquidator, and Justin Schrader of Noble Consulting Services, Inc. as Special Deputy Liquidator for 1st Auto.

PREVIOUS REGULATORY ACTION

On May 23, 2023, OCI petitioned for rehabilitation in an effort to improve 1st Auto’s financial position. On June 21, 2023, 1st Auto was placed into rehabilitation. On November 1, 2023, the OCI petitioned for liquidation because OCI determined that 1st Auto is about to be insolvent and any further attempt to rehabilitate 1st Auto would be futile.

LICENSED STATES

At the time of its liquidation, 1st Auto was licensed to do business in the following states: Arkansas, Iowa, Illinois, Missouri, South Dakota, and Wisconsin.

LOCATION OF OPERATIONS & CONTACT INFORMATION

Justin Schrader
Special Deputy Liquidator
1st Auto & Casualty Insurance Company
2810 City View Drive
Madison, WI 53718
Telephone: 1.800.261.2886
E-Mail: 1stautoproofclaim@1stauto.com

PRINCIPAL LINES OF INSURANCE

1st Auto’s primary business includes private passenger automobile liability and physical damage insurance, personal and farm umbrella and liability insurance, and commercial automobile liability and commercial

automobile physical damage insurance. The products are primarily marketed to policyholders of town mutual insurers that are reinsured by Wisconsin Reinsurance Corporation.

POLICY CANCELLATION

Pursuant to the Liquidation Order and Wisconsin Statute § 645.43, all in-force insurance policies issued by 1st Auto will be terminated at the earliest of the following dates:

- (a) 15 days after the date of entry of the liquidation order, or
- (b) The normal date for the expiration of coverage; or
- (c) The date the person insured replaces the coverage with equivalent coverage in another insurer; or
- (d) Until the Liquidator has affected a transfer of the policy obligation pursuant to Wis. Stat. § 645.46(8), whichever time is less.

PROOF OF CLAIM FILING DEADLINE

All policyholders and potential claimants who wish to share in the distribution of 1st Auto's assets are required to file a Proof of Claim under Wis. Stat. § 645.62, with the Special Deputy Liquidator, 1st Auto & Casualty Insurance Company, 2810 City View Drive, Madison, WI 53718. Proof of Claims can also be submitted by fax at (608) 242-4514 or by email at 1stautoproofofclaim@1stauto.com. The Proof of Claim must be postmarked or received on or before July 1, 2024 (the "Bar Date").

Claims must be filed on a Proof of Claim form and according to instructions which may be obtained by writing to the above address. Forms and instructions may also be downloaded from OCI's website at oci.wi.gov/WRC.

If you fail to file a Proof of Claim your claim will not be considered for payment. You do not need to file a Proof of Claim if you have already filed a claim with 1st Auto or have given notice to the company of a suit in accordance with the policy terms. You do not need to file a claim for return of unearned premium. Claims for unearned premium will be determined based on 1st Auto's records.

Proofs of Claim received after the Bar Date may be relegated to a lower priority of payment.

If someone makes a claim against you for liability which is covered by a 1st Auto policy, you should file a Proof of Claim with the Special Deputy Liquidator on your own behalf, regardless of whether the person making the claim against you files a claim.

STAY OF ALL ACTIONS AND PROCEEDINGS AGAINST TIME INSURANCE COMPANY

The Liquidation Order permanently enjoined and restrained, with limited exceptions, all persons and entities from commencing or prosecuting any actions, claims, lawsuits, administrative or other proceedings against 1st Auto, the Commissioner as Liquidator of 1st Auto, the Special Deputy Liquidator, and their assistants, employees and the consultants and experts they retain for the liquidation.

YOUR DUTIES AS AN INDEPENDENT AGENT OF 1st AUTO

Pursuant to Wis. Stat. § 645.48, you may be required to provide written and oral notice of the Liquidation Order to each policyholder or other person named in any policy issued through you by 1st Auto.

You must provide written notice by first class mail to the last address contained in your records to each policyholder or other person named in any policy issued through you by 1st Auto if you have record of the address of the policyholder or other person. Policies are deemed issued through you if you have a property

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interest in the expiration of the policy or if you have had in your possession a copy of the declarations of the policy at any time during the life of the policy. You do not need to provide this notice if ownership of the declarations of the policy has been transferred to another agent. You also do not need to provide notice if, at the time of the entry of the Liquidation Order (i.e., January 2, 2024), a reinsurer or similar entity other than 1st Auto had assumed direct responsibility for the policy at issue.

Any written notice provided must include the name and address of 1st Auto in Liquidation, your name and address, and identification of the policy impaired. Any written notice provided must also describe the nature of the impairment of the policy under Wis. Stat. § 645.43 or be accompanied by a copy of the Policyholder Notice available on OCI's website at oci.wi.gov/WRC.

State law requires that you provide this notice as soon as practicable.

You must also provide immediate oral notice, by telephone or otherwise, of the Liquidation Order and information contained in the written notice to any person receiving written notice, so far as practicable.

Sincerely,

Justin Schrader
Special Deputy Liquidator
1st Auto & Casualty Insurance Company