

WISCONSIN INSURANCE SECURITY FUND

FINANCIAL REPORT

December 31, 2009

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statements of assets and fund balances arising from cash transactions	2
Statements of revenue collected and expenses paid and changes in fund balances	3
Notes to financial statements	4
INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION	10
FOR THE YEAR ENDED DECEMBER 31, 2009	
Revenue collected and expenses paid by liquidation:	
Property and casualty liquidations/rehabilitations	12
Life/Annuity liquidations/rehabilitations	13
Disability liquidations/rehabilitations	14
INCEPTION TO DECEMBER 31, 2009	
Revenue collected and expenses paid	16
Revenue collected and expenses paid by liquidation:	
Property and casualty liquidations/rehabilitations	17
Life/Annuity liquidations/rehabilitations	18
Disability liquidations/rehabilitations	19

**INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS**

To the Board of Directors
Wisconsin Insurance Security Fund
Madison, Wisconsin

We have audited the accompanying statements of assets and fund balances arising from cash transactions of the Wisconsin Insurance Security Fund (the Fund) as of December 31, 2009 and 2008, and the related statements of revenue collected and expenses paid and changes in fund balances for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

As described more fully in Note 2 to the financial statements, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and fund balances arising from cash transactions of the Fund as of December 31, 2009 and 2008, and its revenue collected and expenses paid for the years then ended, on the basis of accounting described in Note 2.

Strohm Ballweg, LLP

Madison, Wisconsin
February 25, 2010

WISCONSIN INSURANCE SECURITY FUND

STATEMENTS OF ASSETS AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents	\$ 10,047,376	\$ 5,403,164
Certificates of deposit	8,224,111	6,663,073
U.S. government agencies	13,749,615	20,877,344
Other assets	49,148	116,678
	<hr/>	<hr/>
Total assets	32,070,250	33,060,259
Commitments and contingencies (see Notes 10, 11, 12, 13, 14, and 15)	<hr/> -	<hr/> -
	<hr/>	<hr/>
FUND BALANCES ARISING FROM CASH TRANSACTIONS	<u>\$ 32,070,250</u>	<u>\$ 33,060,259</u>

See Notes to Financial Statements.

WISCONSIN INSURANCE SECURITY FUND

STATEMENTS OF REVENUE COLLECTED AND EXPENSES PAID AND CHANGES IN FUND BALANCES

For the Years Ended December 31, 2009 and 2008

	Liquidations/Rehabilitations									
	Property and Casualty		Life/Annuity		Disability		Administration Account		Fund Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
REVENUE COLLECTED										
Assessments received	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,600	\$ -	\$ 269,600	\$ -
Liquidation distributions	1,951,339	4,052,080	-	222,913	222,156	172,551	-	-	2,173,495	4,447,544
Interest and other income	585,125	728,537	317,861	395,402	16,187	15,714	13,751	12,658	932,924	1,152,311
Premium income	-	-	657	-	2,396	2,396	-	-	3,053	2,396
Total revenue collected	2,536,464	4,780,617	318,518	618,315	240,739	190,661	283,351	12,658	3,379,072	5,602,251
EXPENSES PAID										
Claims	1,998,892	1,752,306	1,339,905	1,295,780	-	-	-	-	3,338,797	3,048,086
Claim adjustment expenses	219,859	290,344	-	-	-	-	-	-	219,859	290,344
Other expenses	21,451	127,140	87,380	20,471	12,368	2,120	-	-	121,199	149,731
Allocated expenses	452,322	479,406	132,718	89,879	17,619	21,391	86,567	229,740	689,226	820,416
Assessment refund paid	-	-	-	-	-	-	-	-	-	-
Total expenses paid	2,692,524	2,649,196	1,560,003	1,406,130	29,987	23,511	86,567	229,740	4,369,081	4,308,577
Excess (deficit) of revenue collected over expenses paid	(156,060)	2,131,421	(1,241,485)	(787,815)	210,752	167,150	196,784	(217,082)	(990,009)	1,293,674
Fund balance, beginning of year	20,848,913	18,717,492	10,984,985	11,772,800	788,747	621,597	437,614	654,696	33,060,259	31,766,585
Fund balance, end of year	\$ 20,692,853	<u>\$ 20,848,913</u>	\$ 9,743,500	<u>\$ 10,984,985</u>	\$ 999,499	<u>\$ 788,747</u>	\$ 634,398	<u>\$ 437,614</u>	\$ 32,070,250	<u>\$ 33,060,259</u>

See Notes to Financial Statements.

WISCONSIN INSURANCE SECURITY FUND

NOTES TO FINANCIAL STATEMENTS

Note 1 ~ Organization

The Wisconsin Insurance Security Fund (the Fund), a Wisconsin non-profit entity, was organized in 1969 pursuant to provisions of Wisconsin Statutes, Chapter 646, since amended. The Fund includes every direct licensed insurer authorized to do business in this state with limited additions and exceptions. Also, as outlined in Chapter 646, certain lines of business written in Wisconsin are excluded from Fund coverage.

The main purposes of the Fund are:

- a. To maintain public confidence in the promises of insurers by providing a mechanism for protecting insureds from excessive delay and loss in the event of liquidation of insurers and by assessing the cost of such protection among insurers; and
- b. To provide, where appropriate, for the continuation of protection under policies and supplemental contracts of life insurance, disability insurance, and annuities.

The Fund is administered by a Board of Directors (the Board) which consists of 13 members. The attorney general, the state treasurer, and the commissioner of insurance are members with full voting rights. Other members are chosen from representatives of insurers subject to Chapter 646 under procedures approved by the Commissioner of Insurance.

The investments of the Fund are handled at the direction of the Board. Investments are held on an interim basis and are utilized to pay claims and expenses or to make refunds of assessments to insurers.

Chapter 646 of the Wisconsin Statutes creates six segregated accounts: one for life insurance; one for allocated annuities; one for disability insurance other than policies issued or covered by a health maintenance organization insurer; one for health maintenance organization insurers; one for all other kinds of insurance subject to this chapter (namely, property and casualty); and an administration account.

The Fund operates with two full-time employees and three part-time employees. Consultants, third-party administrators, and temporary employees are utilized as necessary. Administrative expenses incurred in connection with actual liquidations are allocated to the appropriate account. Non-allocated expenses remain in the administration account.

Per Chapter 646 of the Wisconsin Statutes, the Board of the Fund may temporarily transfer assets from one account to another.

Note 2 ~ Summary of Significant Accounting Policies

Basis of Presentation. The Fund prepares its financial statements on the basis of cash receipts and disbursements. Under this basis, revenues are recognized when collected rather than when earned and certain expenditures are recognized when paid rather than when incurred. Consequently, items such as assessments receivable from insurers, amounts due from large net worth insureds, amounts payable on life/annuity rehabilitation agreements, unpaid claims, and amounts due for services rendered are not included in the financial statements.

Cash and Investments. Cash and cash equivalents include variable interest rate accounts that can be withdrawn on demand and money market funds. The Fund has on deposit in a financial institution balances in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Fund does not believe it is exposed to any significant credit risk on the uninsured amounts. Investments consist solely of certificates of deposit and federal agency notes that are carried at cost. The Fund has the intent and ability to hold investments until their maturity.

Allocation of Expenses. A significant portion of the expenses paid in the administration account are incurred on behalf of liquidation estates. The Fund's personnel report time spent on specific liquidation matters, which forms the basis for the quarterly allocation of expenses from the administration account to each liquidation account. During 2009 and 2008, \$452,322 and \$479,406 of the administration account expenses were allocated to the property and casualty liquidation account, respectively. Also, \$132,718 and \$89,879 were allocated to the life and annuity account and \$17,619 and \$21,391 to the disability account, respectively.

Allocation of Interest Income. Interest income received is allocated to specific insolvencies based on the fund balances.

Income Tax. The Fund is a tax exempt organization under the provisions of Section 501(c)(6) of the Internal Revenue Code. The Fund is also exempt from Wisconsin income taxation.

Subsequent Events. Subsequent events were evaluated through February 25, 2010, which is the date the financial statements were available to be issued.

Note 3 ~ Assessments Property and Casualty

Approved assessments are calculated as a percentage of premiums written in this state by each insurer in the classes protected by the account for the year preceding the year in which the Board authorized the assessment. The original premium data is obtained from the Office of the Commissioner of Insurance. The Fund has an annual capacity of assessment collection of approximately \$134 million per the latest available data, 2008.

In 2002, the Board of Directors authorized a \$10,000,000 assessment on the Reliance insolvency. Through 2009, the Board authorized collection of \$6,000,000. No additional assessments were authorized or called in 2009 and 2008.

Note 4 ~ Assessments Life/Annuity

Approved assessments are calculated as a percentage of the average annual premiums written in this state by each insurer in the classes protected by the account for the three years preceding the year of the entry of the order of liquidation. The original premium data is obtained from a data survey prepared by the National Organization of Life and Health Guaranty Associations on behalf of the National Association of Insurance Commissioners.

The Fund has an annual capacity of assessment collection of approximately \$39,000,000 (life) and \$67,000,000 (allocated annuity) per the latest available data, 2008.

There were no life/annuity assessments authorized or called in 2009 and 2008.

Executive Life. During 1995, the Board of Directors approved resolutions amending the total assessments on Executive Life Insurance Company (ELIC) in liquidation to \$17,000,000 (life account) and \$44,000,000 (allocated annuity account). Through 2009, the Board has authorized collection of \$13,800,000 on the life account and \$36,450,000 on the allocated annuity account.

Note 5 ~ Assessments Disability/Administration/HMO

Assessments for the disability account are calculated as a percentage of premiums written in this state by each insurer in the classes protected by the account for the year preceding the year in which the Board authorized the assessment. The original premium data is obtained from the National Organization of Life and Health Guaranty Associations. The Fund has an annual capacity of assessment collection of approximately \$109,000,000 per the latest available data, 2008.

No assessment was levied or called in the disability account in 2009 and 2008.

The Board approved a \$200 per member administration assessment in 2009. All amounts were collected as of December 31, 2009. No assessment was levied or called in the administration account in 2008.

The Fund has never levied or called an assessment in the HMO account.

Note 6 ~ Liquidation Distributions – Property and Casualty

During 2009 and 2008, the Fund received distributions or early access payments of \$1,951,339 and \$4,052,080, respectively, from Property and Casualty liquidations. The following is a breakdown of the amounts received in 2009:

<u>Liquidation (State)</u>	<u>Amount</u>	<u>Description</u>
American Horizon (IL)	\$ 17,391	100% of administrative expenses and 25% claims and ALAE through 6/30/04 less previous distributions
Casualty Reciprocal (MO)	462,581	First early access distribution
Fremont Indemnity (CA)	408,798	Sixth early access distribution
Home (NH)	208,961	100% of claims & ALAE reported through 9/30/08 less previous distributions
Integrity (NJ)	21,862	100% of Class I expenses and 75% of Class IV through 8/31/09 less previous distributions
Legion (PA)	690,799	100% of allowed expenses and 35% of Class IV claims paid through 12/31/08 less previous distributions
Millers Insurance (TX)	(5,533)	Return of funds for reallocation
Phico (PA)	16,700	100% of administrative expenses through 12/31/08 less previous distributions
Shelby (TX)	74,157	Second early access distribution
Statewide (IL)	41,007	100% of Class A & D expenses paid through 9/30/09 less previous distributions
Villanova (PA)	14,616	100% of allowed expenses and 11.7% of Class IV claims paid through 12/31/08 less previous distributions
Total	<u>\$ 1,951,339</u>	

For distributions received prior to an estate closing, the liquidator retains the ability to require a return of funds from a guaranty fund for reallocation in the final distribution of the estate.

Note 7 ~ Liquidation Distributions – Life/Annuity

During 2009 and 2008, the Fund received distributions of assets of \$0 and \$222,913, respectively, from Life/Annuity estates.

For distributions received prior to an estate closing, the liquidator retains the ability to require a return of funds from a guaranty fund for reallocation in the final distribution of the estate.

Note 8 ~ Liquidation Distributions – Disability

During 2009 and 2008, the Fund received distributions of assets of \$222,156 and \$172,551, respectively, from Disability estates. The following is a breakdown of the amounts received in 2009:

<u>Liquidation (State)</u>	<u>Amount</u>	<u>Description</u>
Legion (PA)	\$ 211,033	Early access distribution
Reliance (PA)	<u>11,123</u>	100% of administrative expense through 12/31/07
Total	<u>\$ 222,156</u>	

For distributions received prior to an estate closing, the liquidator retains the ability to require a return of funds from a guaranty fund for reallocation in the final distribution of the estate.

Note 9 ~ Other Recoveries

Chapter 646 of the Wisconsin Statutes limits the Fund's obligations to named insureds with large net worths. If the net worth of a named insured is greater than \$10,000,000, the Fund is not ultimately financially responsible for the claims unless the aggregate claims exceeds 10 percent of the insured's net worth. For the years ended December 31, 2009 and 2008, the Fund has received reimbursement from net worth insureds totaling \$387,657 and \$731,014, respectively. These recoveries are netted against claims and claim adjustment expenses paid within the financial statements.

Note 10 ~ Estimated Unpaid Claims and Claim Adjustment Expenses – Property and Casualty

As of December 31, 2009 and 2008, the Fund estimated the unpaid claims and claim adjustment expenses to be approximately \$40,000,000 (unaudited) and \$44,000,000 (unaudited), respectively. These amounts are estimates and the ultimate settlements may vary from the amounts indicated. These amounts will be offset by future distributions from receivers and assessments from insurers.

Liquidations with amounts included in the liability are American Mutual, American Universal, Carriers, Casualty Reciprocal, Commercial Compensation, Credit General, Fremont Indemnity, HIH America, Home, Ideal Mutual, Integrity, Intercontinental, Iowa National, Legion, Midland, Mission Companies, Phico, Reliance, Shelby, Transit Casualty, Union Indemnity, and Villanova.

Note 11 ~ Net Ultimate Liabilities – Life/Annuity

The Fund has received revised notices during the year on estimated liabilities for insurers currently in liquidation. These liability amounts are subject to change due to fluctuating interest rates, asset valuation, experience of assumed blocks of business, and other variables.

Insolvencies with liabilities include only Executive Life and Lincoln Memorial Life. As of December 31, 2009 and 2008, estimates of the liability to the Fund are approximately \$14,000,000 (unaudited) and \$14,500,000 (unaudited), respectively. These amounts will be offset by future distributions from receivers and assessments from insurers.

Note 12 ~ Net Ultimate Liabilities – Disability

The estimated liability for the disability insolvency account is less than \$100,000 (unaudited) as of December 31, 2009 and 2008. This amount will be offset by future distributions from receivers and assessments from insurers.

Note 13 ~ Estate Closings

Numerous estates, including American Eagle, American Mutual, Transit Casualty, Mission, Intercontinental, Integrity, and United Community are in the process of being closed. After these closings, the estates will make no future distributions, and the Fund will be liable for all remaining claim payments. Carriers and Iowa National, previously closed estates, are not expected to make any future distributions to the Fund. However, the Fund continues to have expense activity subsequent to the closure of these estates.

Note 14 ~ Retirement Plans

The Fund sponsors a qualified non-contributory defined benefit pension plan covering substantially all employees. After meeting certain qualifications, an employee acquires a vested right to future benefits. The benefits payable under the plan are generally determined on the basis of an employee's length of employment and career average salary. The plan is currently funded at a level that approximates the estimated benefits.

The Fund also has a defined contribution plan pursuant to Section 401(k) of the Internal Revenue Code which covers all employees who work at least a 12-month period. The Company, at its discretion, matches employee contributions up to a maximum of 75 percent of the first 6 percent of compensation. The expense related to this plan was \$14,585 and \$14,240 for the years ended December 31, 2009 and 2008, respectively.

Note 15 ~ Litigation

The Fund is involved in legal proceedings, claims, and liquidations arising in the ordinary course of business, including pending or threatened litigation with respect to various loss claims under insurance policies issued by insurers in liquidation and numerous pending claims against liquidators for reimbursement of loss claims paid and loss adjustment expenses. The resolution of these matters cannot be predicted at this time. Any liability that would arise out of litigation would be recovered by the Fund through assessments from the insurers for the respective liquidations.

**INDEPENDENT AUDITOR'S REPORT ON THE
SUPPLEMENTARY INFORMATION**

To the Board of Directors
Wisconsin Insurance Security Fund
Madison, Wisconsin

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Strohm Ballweg, LLP

Madison, Wisconsin
February 25, 2010

WISCONSIN INSURANCE SECURITY FUND

REVENUE COLLECTED AND EXPENSES PAID

For the Year Ended December 31, 2009

WISCONSIN INSURANCE SECURITY FUND

REVENUE COLLECTED AND EXPENSES PAID BY LIQUIDATION – PROPERTY AND CASUALTY LIQUIDATIONS/REHABILITATIONS

For the Year Ended December 31, 2009

Company (State-Year of Liquidation)	Assessments Received	Liquidation Distributions	Interest & Other Income	Claims	Claim Adjustment Expenses	Other Expenses	Allocated Expenses	Refund of Assessments	Transfers	Change in Fund Balance
American Eagle (TX-1997)	\$ -	\$ -	\$ 80,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,901
American Mutual (MA-1989)	-	-	78,361	(182,842)	(36,078)	(1,013)	(22,422)	-	-	(163,994)
Carriers (IA-1986)	-	-	61,706	(20,526)	(157)	(7)	(2,771)	-	-	38,245
Casualty Reciprocal (MO-2004)	-	462,581	(53,372)	(142,657)	(13,106)	(1,849)	(21,471)	-	-	230,126
Commercial Comp (CA-2000)	-	-	(9,742)	-	-	-	(916)	-	-	(10,658)
Credit General (OH-2001)	-	-	16,232	-	(188)	(124)	(3,152)	-	-	12,768
Fremont Indemnity (CA-2003)	-	408,798	(89,877)	(875,280)	(105,317)	(6,966)	(117,746)	-	-	(786,388)
HIH America (CA-2001)	-	-	42,491	-	(354)	-	(7,399)	-	-	34,738
Home (NH-2003)	-	208,961	(15,016)	(327,190)	(13,589)	(1,893)	(36,281)	-	-	(185,008)
Ideal Mutual (NY-1985)	-	-	108,562	(6,806)	-	(1,016)	(3,815)	-	-	96,925
Integrity (NJ-1987)	-	21,862	94,811	(8,817)	(920)	(1,390)	(7,912)	-	-	97,634
Intercontinental (IL-1990)	-	-	(908)	(23,072)	(815)	(8)	(1,613)	-	-	(26,416)
Iowa National (IA-1985)	-	-	2,435	(139,087)	(1,646)	(133)	(10,607)	-	-	(149,038)
Legion (PA-2003)	-	690,799	(111,105)	(63,013)	(13,111)	(54)	(40,182)	-	-	463,334
Midland (NY-1986)	-	-	12,933	-	-	(688)	(1,560)	-	-	10,685
Mission Groups (CA-1987)	-	-	243,918	-	-	-	(9,066)	-	-	234,852
Phico (PA-2002)	-	16,700	(12,915)	-	(5,975)	(1,411)	(8,383)	-	-	(11,984)
Reliance (PA-2001)	-	-	75,375	(141,630)	(33,964)	(4,449)	(101,138)	-	-	(205,806)
Shelby (TX-2006)	-	74,157	2,466	(54,932)	(2,070)	(77)	(17,899)	-	-	1,645
Statewide (IL-2004)	-	41,007	(988)	-	-	(33)	(2,086)	-	-	37,900
Transit Casualty (MO-1985)	-	-	65,216	127	-	-	(209)	-	-	65,134
Villanova (PA-2003)	-	14,616	(11,758)	-	7,625	(194)	(27,810)	-	-	(17,521)
Other	-	11,858	5,399	(13,167)	(194)	(146)	(7,884)	-	-	(4,134)
Totals	\$ -	\$ 1,951,339	\$ 585,125	\$ (1,998,892)	\$ (219,859)	\$ (21,451)	\$ (452,322)	\$ -	\$ -	\$ (156,060)

WISCONSIN INSURANCE SECURITY FUND

REVENUE COLLECTED AND EXPENSES PAID BY LIQUIDATION – LIFE/ANNUITY LIQUIDATIONS/REHABILITATIONS

For the Year Ended December 31, 2009

Company (State-Year of Liquidation)	Assessments Received	Liquidation Distributions	Interest & Other Income	Premium Income	Claims	Claim Adjustment Expenses	Other Expenses	Allocated Expenses	Refund of Assessments	Transfers	Change in Fund Balance
Executive Life (CA-1991)	\$ -	\$ -	\$ 254,477	\$ -	\$ (1,293,020)	\$ -	\$ (19,653)	\$ (12,458)	\$ -	\$ -	\$ (1,070,654)
Guaranty Security Life (FL-1992)	-	-	34,356	-	-	-	(934)	-	-	-	33,422
Lincoln Memorial Life (TX-2008)	-	-	(4,313)	657	(46,885)	-	(33,394)	(69,411)	-	-	(153,346)
London Pacific Life (NC-2004)	-	-	16,275	-	-	-	(275)	(1,358)	-	-	14,642
Summit National Life (PA-1994)	-	-	19,961	-	-	-	-	(225)	-	-	19,736
Other	-	-	(2,895)	-	-	-	(33,124)	(49,266)	-	-	(85,285)
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,861</u>	<u>\$ 657</u>	<u>\$ (1,339,905)</u>	<u>\$ -</u>	<u>\$ (87,380)</u>	<u>\$ (132,718)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,241,485)</u>

WISCONSIN INSURANCE SECURITY FUND

REVENUE COLLECTED AND EXPENSES PAID BY LIQUIDATION – DISABILITY LIQUIDATIONS/REHABILITATIONS

For the Year Ended December 31, 2009

Company (State-Year of Liquidation)	Assessments Received	Liquidation Distributions	Interest & Other Income	Premium Income	Claims	Claim Adjustment Expenses	Other Expenses	Allocated Expenses	Transfers	Change in Fund Balance
American Chambers (OH-2000)	\$ -	\$ -	\$ (701)	\$ -	\$ -	\$ -	\$ (84)	\$ (2,334)	\$ -	\$ (3,119)
American Integrity (PA-1993)	-	-	3,429	-	-	-	(110)	-	-	3,319
Centennial Life (KS-1998)	-	-	(1,078)	-	-	-	(7)	-	-	(1,085)
Consumers United (DE-1994)	-	-	2,619	2,396	-	-	(867)	-	-	4,148
Legion (PA-2003)	-	211,033	14,248	-	-	-	(107)	(5,394)	-	219,780
Reliance (PA-2001)	-	11,123	(1,396)	-	-	-	(109)	(637)	-	8,981
Villanova (PA-2003)	-	-	(155)	-	-	-	(75)	(88)	-	(318)
Other	-	-	(779)	-	-	-	(11,009)	(9,166)	-	(20,954)
Totals	<u>\$ -</u>	<u>\$ 222,156</u>	<u>\$ 16,187</u>	<u>\$ 2,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,368)</u>	<u>\$ (17,619)</u>	<u>\$ -</u>	<u>\$ 210,752</u>

WISCONSIN INSURANCE SECURITY FUND

REVENUE COLLECTED AND EXPENSES PAID

Inception to December 31, 2009
(Unaudited)

WISCONSIN INSURANCE SECURITY FUND

REVENUE COLLECTED AND EXPENSES PAID Inception to December 31, 2009 (Unaudited)

	Liquidations/Rehabilitations			Administration Account	Fund Total	
	Property and Casualty	Life/ Annuity	Disability			Total
REVENUE COLLECTED						
Assessments received	\$ 71,620,777	\$ 77,671,085	\$ 17,132,040	\$ 166,423,902	\$ 3,726,384	\$ 170,150,286
Liquidation distributions	76,029,925	13,639,175	70,918,399	160,587,499	43,819	160,631,318
Interest & other income	15,018,363	12,332,635	3,212,909	30,563,907	344,780	30,908,687
Premium income	-	126,447	28,308	154,755	-	154,755
Total revenue collected	<u>162,669,065</u>	<u>103,769,342</u>	<u>91,291,656</u>	<u>357,730,063</u>	<u>4,114,983</u>	<u>361,845,046</u>
EXPENSES PAID						
Claims	91,622,505	84,815,556	65,940,027	242,378,088	-	242,378,088
Claim adjustment expenses	19,852,111	301,030	5,851,402	26,004,543	-	26,004,543
Other expenses	1,561,864	3,337,690	4,506,108	9,405,662	-	9,405,662
Allocated expenses	6,707,764	1,492,308	941,784	9,141,856	3,297,322	12,439,178
Assessment refund paid	22,231,968	4,079,258	13,052,836	39,364,062	-	39,364,062
Furniture and equipment	-	-	-	-	183,263	183,263
Total expenses paid	<u>141,976,212</u>	<u>94,025,842</u>	<u>90,292,157</u>	<u>326,294,211</u>	<u>3,480,585</u>	<u>329,774,796</u>
Excess of revenue collected over expenses paid	20,692,853	9,743,500	999,499	31,435,852	634,398	32,070,250
Temporary transfers (to) from other fund	-	-	-	-	-	-
Fund balance, December 31, 2009	<u>\$ 20,692,853</u>	<u>\$ 9,743,500</u>	<u>\$ 999,499</u>	<u>\$ 31,435,852</u>	<u>\$ 634,398</u>	<u>\$ 32,070,250</u>

WISCONSIN INSURANCE SECURITY FUND

REVENUE COLLECTED AND EXPENSES PAID BY LIQUIDATION – PROPERTY AND CASUALTY LIQUIDATIONS/REHABILITATIONS

Inception to December 31, 2009 (Unaudited)

Company (State)	Assessments Received	Liquidation Distributions	Interest & Other Income	Claims	Claim Adjustment Expenses	Other Expenses	Allocated Expenses	Refund of Assessments	Transfers	Fund Balance
American Eagle (TX)	\$ 2,999,905	\$ 725,191	\$ 603,776	\$ (1,058,437)	\$ (311,531)	\$ (6,362)	\$ (160,905)	\$ -	\$ -	\$ 2,791,637
American Mutual (MA)	10,992,823	4,243,907	944,943	(10,887,188)	(2,249,727)	(7,093)	(436,081)	-	-	2,601,584
Carriers (IA)	2,977,600	3,318,148	1,428,671	(3,482,175)	(456,785)	(753)	(201,267)	(1,470,783)	(112,936)	1,999,720
Casualty Reciprocal (MO)	-	462,581	(214,515)	(1,353,970)	(213,285)	(68,413)	(145,345)	-	-	(1,532,947)
Commercial Comp (CA)	-	186,623	(85,691)	(291,500)	(50,883)	212	(95,074)	-	-	(336,313)
Credit General (OH)	1,985,432	-	74,551	(1,121,748)	(192,233)	(26,843)	(160,169)	-	-	558,990
Fremont Indemnity (CA)	-	6,023,763	(406,011)	(6,705,518)	(884,454)	(404,933)	(766,611)	-	-	(3,143,764)
HIH America (CA)	1,489,072	1,503,446	175,026	(1,350,308)	(203,388)	(6,360)	(144,351)	-	-	1,463,137
Home (NH)	-	2,218,717	(92,072)	(2,180,168)	(157,882)	(149,755)	(334,279)	-	-	(695,439)
Ideal Mutual(NY)	11,881,371	4,510,270	2,036,587	(8,887,436)	(3,633,778)	(5,154)	(162,000)	(1,999,976)	-	3,739,884
Integrity (NJ)	3,994,386	3,741,311	1,552,570	(3,142,765)	(1,731,018)	(1,950)	(154,622)	(983,583)	-	3,274,329
Intercontinental (IL)	2,002,428	1,029,452	186,434	(2,431,343)	(461,920)	(84)	(366,165)	-	-	(41,198)
Iowa National (IA)	3,467,452	11,421,237	1,850,588	(13,184,993)	(1,487,901)	(662)	(584,176)	(1,467,151)	-	14,394
Legion (PA)	-	2,270,820	(713,593)	(3,740,764)	(610,031)	(92,568)	(415,553)	-	-	(3,301,689)
Midland (NY)	3,469,977	573,809	700,328	(3,251,613)	(839,915)	(1,419)	(205,401)	-	-	445,766
Mission Groups (CA)	9,962,593	13,255,397	3,257,844	(7,741,973)	(1,927,618)	-	(438,709)	(7,947,057)	-	8,420,477
Phico (PA)	-	431,300	(91,528)	(331,536)	(195,440)	(82,215)	(178,589)	-	-	(448,008)
Reliance (PA)	5,955,794	8,394,805	412,336	(8,818,546)	(1,819,679)	(652,036)	(1,000,964)	-	-	2,471,710
Shelby (TX)	-	678,853	(5,806)	(472,306)	(33,577)	(7,173)	(63,799)	-	-	96,192
Statewide (IL)	-	177,185	(12,078)	(108,546)	(34,612)	(9,505)	(24,602)	-	-	(12,158)
Transit Casualty (MO)	2,977,186	3,037,810	352,954	(3,632,005)	(408,089)	-	(77,613)	-	-	2,250,243
Villanova (PA)	-	291,711	(64,077)	(55,000)	(330,014)	(30,798)	(207,657)	-	-	(395,835)
Other	1,355,306	1,695,519	616,287	(1,582,077)	(817,292)	(8,000)	(320,585)	(1,332,323)	865,306	472,141
Closed	6,109,452	5,838,070	2,510,839	(5,810,590)	(801,059)	-	(63,247)	(7,031,095)	(752,370)	-
Totals	<u>\$ 71,620,777</u>	<u>\$ 76,029,925</u>	<u>\$ 15,018,363</u>	<u>\$ (91,622,505)</u>	<u>\$ (19,852,111)</u>	<u>\$ (1,561,864)</u>	<u>\$ (6,707,764)</u>	<u>\$ (22,231,968)</u>	<u>\$ -</u>	<u>\$ 20,692,853</u>

WISCONSIN INSURANCE SECURITY FUND

REVENUE COLLECTED AND EXPENSES PAID BY LIQUIDATION – LIFE/ANNUITY LIQUIDATIONS/REHABILITATIONS

Inception to December 31, 2009 (Unaudited)

Company (State)	Assessments Received	Liquidation Distributions	Interest & Other Income	Premium Income	Claims	Claim Adjustment Expenses	Other Expenses	Allocated Expenses	Refund of Assessments	Transfers	Fund Balance
Executive Life (CA)	\$ 49,518,796	\$ 3,449,719	\$ 10,734,250	\$ 125,790	\$ (54,070,901)	\$ (269,137)	\$ (1,255,962)	\$ (572,700)	\$ 318	\$ -	\$ 7,660,173
Guaranty Security Life (FL)	1,790,522	628,314	478,515	-	(1,612,577)	(51)	(72,848)	(35,651)	-	32,163	1,208,387
Lincoln Memorial Life (TX)	-	-	(4,438)	657	(73,885)	-	(35,560)	(92,817)	-	-	(206,043)
London Pacific Life (NC)	5,999,210	3,370,514	(237,334)	-	(8,888,847)	(156)	(128,379)	(178,988)	-	636,100	572,120
Summit National Life (PA)	449,819	512,247	187,123	-	(501,244)	(241)	(11,478)	(15,950)	-	81,869	702,145
Other	-	-	(7,508)	-	-	-	(88,560)	(97,214)	-	-	(193,282)
Closed	19,912,738	5,678,381	1,182,027	-	(19,668,102)	(31,445)	(1,744,903)	(498,988)	(4,079,576)	(750,132)	-
Totals	<u>\$ 77,671,085</u>	<u>\$ 13,639,175</u>	<u>\$ 12,332,635</u>	<u>\$ 126,447</u>	<u>\$ (84,815,556)</u>	<u>\$ (301,030)</u>	<u>\$ (3,337,690)</u>	<u>\$ (1,492,308)</u>	<u>\$ (4,079,258)</u>	<u>\$ -</u>	<u>\$ 9,743,500</u>

WISCONSIN INSURANCE SECURITY FUND

REVENUE COLLECTED AND EXPENSES PAID BY LIQUIDATION – DISABILITY LIQUIDATIONS/REHABILITATIONS

Inception to December 31, 2009 (Unaudited)

Company (State)	Assessments Received	Liquidation Distributions	Interest & Other Income	Premium Income	Claims	Claim Adjustment Expenses	Other Expenses	Allocated Expenses	Refund of Assessments	Transfers	Fund Balance
American Chambers (OH) \$	299,870	\$ -	\$ (56,563)	\$ -	\$ (43,612)	\$ (4,035)	\$ (10,790)	\$ (223,306)	\$ -	\$ -	\$ (38,436)
American Integrity (PA)	149,798	293,476	24,431	-	(316,397)	(20,147)	(30,343)	(55,929)	-	140,000	184,889
Centennial Life (KS)	-	512,709	(28,361)	-	(185,589)	(743)	(18,480)	(337,646)	-	-	(58,110)
Consumers United (DE)	149,798	39,681	3,918	28,308	(107,248)	(6,152)	(58,446)	(47,693)	-	139,358	141,524
Legion (PA)	2,149,115	695,776	10,874	-	(1,872,317)	-	(6,788)	(59,007)	-	-	917,653
Reliance (PA)	-	54,900	(9,843)	-	(73,339)	-	(8,583)	(38,083)	-	-	(74,948)
Villanova (PA)	-	-	(902)	-	-	-	(1,491)	(5,984)	-	-	(8,377)
Other	-	15,350	(3,490)	-	(51,571)	(2,302)	(59,542)	(145,407)	-	182,266	(64,696)
Closed	<u>14,383,459</u>	<u>69,306,507</u>	<u>3,272,845</u>	<u>-</u>	<u>(63,289,954)</u>	<u>(5,818,023)</u>	<u>(4,311,645)</u>	<u>(28,729)</u>	<u>(13,052,836)</u>	<u>(461,624)</u>	<u>-</u>
Totals	<u>\$ 17,132,040</u>	<u>\$ 70,918,399</u>	<u>\$ 3,212,909</u>	<u>\$ 28,308</u>	<u>\$ (65,940,027)</u>	<u>\$ (5,851,402)</u>	<u>\$ (4,506,108)</u>	<u>\$ (941,784)</u>	<u>\$ (13,052,836)</u>	<u>\$ -</u>	<u>\$ 999,499</u>