

## *Time Insurance Company's ongoing financial issues force it into rehabilitation*



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On July 29, 2020, Judge Stephen Ehlke signed a Rehabilitation Order placing Time Insurance Company (Time) into rehabilitation. The Rehabilitator now begins the process of preparing a Rehabilitation Plan to be approved by the Court and designed to protect Time's policyholders, creditors and the public.

Time is a Wisconsin domestic, stock health and life insurer, originally licensed as a Wisconsin insurer on February 4, 1910. In 2014, many of the insurance operations of Time went into run-off. Currently, there are approximately 165,000 long-term care, life and annuity, and health insurance policyholders throughout the country. Most of the policies are subject to 100 percent reinsurance agreements, with only approximately 100 policies directly insured by Time.

In 2018, Time was acquired by Haven Holdings, Inc., and the company was re-domesticated to Puerto Rico. Soon thereafter, Time began efforts to recapture the bulk of the fully reinsured life and long-term care policies. The move raised concerns with the Wisconsin Office of the Commissioner of Insurance (OCI) and other insurance departments around the country, some of whom determined the company would be undercapitalized should it recapture the reinsured risk.

On February 28, 2020, Time, Wisconsin Commissioner Mark Afable and the Insurance Commissioner of Puerto Rico entered an agreement whereby Time would re-domesticate back to Wisconsin and OCI would consider an alternative proposal to address Time's ongoing financial issues.

On May 18, 2020, with Time's approval, Commissioner Afable initiated a rehabilitation proceeding in Dane County, Wisconsin, Circuit Court, asserting that Time is about to become insolvent, but that the company may be rehabilitated to protect the interests of policyholders, creditors and the public. The Rehabilitation Order appoints Commissioner Afable as Rehabilitator and grants him the full power and authority under state law to reform and revitalize Time. The Order further appoints Mark Femal of Strohm Ballweg, LLP as the Special Deputy Commissioner charged with carrying out the rehabilitation.

Godfrey & Kahn, S.C. represents the Wisconsin OCI in this rehabilitation.

*The information contained herein is based on a summary of legal principles. It is not to be construed as legal advice and does not create an attorney-client relationship. Individuals should consult with legal counsel before taking any action based on these principles to ensure their applicability in a given situation.*