

DEPARTMENT OF COMMERCE AND INSURANCE

P.O. Box 690. Jefferson City, Mo. 65102-0690

INRE:)
)
Time Insurance Company, a)
Wisconsin Corporation, and) **Case No. 1905100794F**
Time Insurance Company II, a)
Puerto Rican Corporation)

STIPULATION AND ORDER VACATING CEASE AND DESIST ORDER

Based on the competent and substantial evidence before me, I, Chlora Lindley-Myers, Director of the Missouri Department of Commerce and Insurance ("Department"), make the following:

STIPULATED FINDINGS OF FACT

1. On or about October 17, 2018, the Wisconsin Commissioner of Insurance issued a Final Decision approving the request of the Time Insurance Company ("Time"), Haven Holdings Inc. and Haven Insurance Company II plan for acquisition of control. Pursuant to the October 17, 2018, Final Decision ("Final Decision") and plan for acquisition, Haven Insurance Company II

merged with Time in order to facilitate the redomestication of Time from Wisconsin to Puerto Rico.

2. On or about December 1, 2018, Haven Holdings Inc., a Puerto Rico corporation, purchased all of the issued and outstanding voting stock of Time.

3. On or about December 5, 2018, Haven Insurance Company II merged with and into Time, with Time being the surviving company.

4. As part of the redomestication to Puerto Rico, Time changed its name to Time Insurance Company II ("Time II").

5. On or about December 5, 2018, Time II registered with Puerto Rico and organized as a Domestic Insurance Company For Profit in that jurisdiction.

6. On or about September 9, 2005, the Department issued a Certificate of Authority to Time as a Life and Health (§ 376.010, RSMo) and Life, annuities and endowments (§ 376.010, RSMo) company.

7. On or about January 15, 2019, Time II filed a Uniform Certificate of Authority Act Corporate Amendments Application ("Application") with the Department seeking recognition by the Department of Time's redomestication to Puerto Rico and the change of Time's name to Time II. As of this date, the Department has not approved the Application due to the outstanding legal issues.

8. On September 10, 2019, the Director issued her Cease and Desist Order directed to Time and Time II.

9. Time and Time II filed a timely appeal of the September 10, 2019, Cease and Desist Order.

10. Time II was domiciled in Puerto Rico as an International Insurer organized under the provisions of Chapter 61 of the Puerto Rico Insurance Code as a Class 5 International Insurer.
11. There has been continued legal uncertainty whether policyholders of International Insurers are eligible for coverage under state guarantee funds.
12. Representatives of Time II have expressed the opinion that, by operation of Puerto Rico law, all policies of Time II would likely be cancelled within 30 days of the date Time II entered into insolvency proceedings in Puerto Rico.
13. Time II reported that if it calculates its Risk Based Capital without giving effect to the segregated asset plans allowed in Puerto Rico, it would be at the mandatory control level event.
14. Time II has been informed that an analysis of Time II's long term care block of business reinsured by John Hancock required additional reserves of approximately \$600 million.
15. Under Puerto Rican law, Time II would have had until March 30, 2020, to file an annual financial statement.
16. Time and Time II are subject to the jurisdiction and control of the Department in the state of Missouri.
17. On February 28, 2020, Wisconsin and Time II and Haven Holdings, Inc., which directly or indirectly owned 100% of Time II, entered into a Stipulation and Order, Case No. 19-C43160.
18. On March 16, 2020, Time II submitted a redomestication application to the Wisconsin Commissioner of Insurance.
19. On March 31, the Wisconsin Commissioner of the Wisconsin Office of Commissioner of Insurance ("WI OCI") signed an Amended Stipulation and Order, Case No. 19-

C43160, entered into between the WI OCI and Time, which Amended Stipulation and Order amended certain provisions of the February 28, 2020, Stipulation and Order, Case No. 19-C43160.

20. Pursuant to the terms of both Orders, Time II became a Wisconsin domestic insurer as of February 28, 2020, is once again known as Time and is subject to the insurance laws of the state of Wisconsin as a domestic insurer of that state. Time is also subject to a Protective Order, Case No. 20-C31327, issued by the Wisconsin Commissioner of Insurance on February 28, 2020.

21. Time is no longer an "International Insurer" as that term is defined in Puerto Rican law.

CONCLUSIONS OF LAW

22. Section 375.881, RSMo¹ provides in pertinent part as follows:

The director may revoke or suspend the certificate of authority of a foreign insurance company under section 374.047 or issue such administrative orders as appropriate under section 374.046 whenever he finds that the company

(2) Fails to comply with the requirements for admission in respect to capital, the investment of its assets or the maintenance of deposits in this or other state or fails to maintain the surplus with similar domestic companies transacting the same kinds of business are required to maintain;

(6) Has violated any law of this state or has in this state violated its charter or exceeded its corporate powers[.]

23. Section 375.041, RSMo (Cum. Supp. 2019) provides in pertinent part as follows:

1. The provisions of this section shall apply to all domestic, foreign and alien insurers who are authorized to transact business in this state, and shall also apply to those companies organized and authorized to transact

¹ All citations are to the Revised Statutes of Missouri 2016 (RSMo 2016) unless otherwise noted.

business in this state pursuant to the provisions of chapter 354,377,378 or 381.

2. Each domestic, foreign and alien insurer who is authorized to transact insurance in this state, and each company organized and authorized to transact business in this state pursuant to the provisions of chapter 354, 377, 378 or 381, shall annually, on or before March first of each year, file with the National Association of Insurance Commissioners a copy of its annual statement convention blank, along with such additional filings as prescribed by the director of the department of commerce and insurance and shall include the signed jurat page and the actuarial certification. Any amendments and addendums to the annual statement filing subsequently filed with the director of the department of commerce and insurance shall also be filed with the National Association of Insurance Commissioners. Foreign insurers that are domiciled in a state which has a law substantially similar to this subsection shall be deemed in compliance with this subsection.

4. The director of the department of commerce and insurance may suspend, revoke or refuse to renew the certificate of authority of any insurer failing to file its annual statement when due or within any extension of time which the director, for good cause, may have granted.

23. Section 374.046 provides in pertinent part as follows:

1. If the director determines based upon substantial and competent evidence that a person has engaged, is engaging in or has taken a substantial step toward engaging in an act, practice, omission, or course of business constituting a violation of the laws of this state relating to insurance in this chapter, chapter 354, and chapters 375 to 385, or a rule adopted or order issued pursuant thereto, the director may order the following relief:

- (1) An order directing the person to cease and desist from engaging in the act, practice, omission, or course of business;

4. If the director determines that sections 375.014, 375.144, or 375.310 are being violated and consumers are being aggrieved by the violations, the order issued under subdivision (1) of subdivision 1 of this section may be summary and be effective on the date of issuance. Upon issuance of the order, the director shall promptly serve each person subject to the

order with a copy of the order and a notice that the order has been entered.

6. If a hearing is requested or ordered pursuant to subsection 3 or subsection 5 of this section, a hearing before the director or a hearing officer designated by the director must be provided. A final order may not be issued unless the director makes findings of fact and conclusions of law in a record in accordance with the provisions of chapter 536 and procedural rules promulgated by the director. The final order may make final, vacate, or modify the order issued under subsection 5 of this section.

24. Section 375.821.1 provides in pertinent part as follows:

Before a certificate of authority to transact business in this state shall be issued to a foreign insurance company, the company shall satisfy the director that:

(1) The company is duly organized under the laws of the state or country under whose laws it professes to be organized and authorized to do the business it is transacting or proposes to transact;

(3) That the company is transacting and proposes to transact the kinds of business which a domestic company similarly organized may be authorized to transact under the laws of this state;

(4) That the company meets the financial requirements as relates to capital and surplus or other statutory fund as originally required for companies being incorporated or organized under the laws of this state to do the same kinds of business[.]

25. Section 375.310.1, provides that "It is unlawful for any person, association of individuals, or any corporation to transact in this state any insurance business unless the person, association, or corporation is duly authorized by the director under a certificate of authority or

appropriate licensure, or Is an msurance company exempt from certification under section 375.786."

26. Time Insurance Company agrees that this Stipulation is made without reservation and constitutes a waiver of rights, including the right to a hearing, the right to confront and cross-examine witnesses, the right to produce evidence and the right to judicial review. The Director may enforce this Stipulation and Order.

04/28/20

Date

Achim Maximilian Holmes

Achim Maximilian Holmes
Chief Executive Officer
Time Insurance Company

05/11/2020

Date

John F. Rehagen

John F. Rehagen
Director
Division of Insurance Company Regulation
Department of Commerce and Insurance

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ORDER

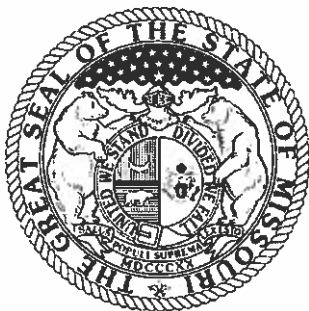
Based on the foregoing findings and conclusions the September 10, 2019, Cease and Desist Order issued to Time Insurance Company, formerly known as Time Insurance Company II, is vacated. Time Insurance Company is ordered to continue to comply with the insurance laws of this state, the February 28, 2020, Stipulation and Order, Case No. 19-C43160, the February 28, 2020, Protective Order, Case No. 20-31327, and the March 31, 2020, Amended Stipulation and Order, Case No. 19-C43160, entered into among the state of Wisconsin, Time Insurance Company II and Haven Holding Inc.

This Order shall remain in effect until such time as it is superseded or cancel in writing by the Director.

This Order shall be effective upon the date of issuance.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 01st DAY OF

June 2020.



Chlora Lindley-Myers

CHLORA LINDLEY-MYERS
DIRECTOR
Department of Commerce and Insurance
State of Missouri

NOTICE

TO: Respondent(s) and any unnamed persons aggrieved by this Order:

You may request a hearing in this matter. Within five days after receipt of a request in a record from you, the matter will be scheduled for a hearing. The Department is not seeking a civil penalty or the costs of the investigation. If you do not request a hearing and none is ordered by the Director, within thirty days after the date of service of the order, the order becomes final as to you by operation of law. If a hearing is requested or ordered, the Director, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination. You may request a hearing by filing a request, including a statement of the facts and grounds supporting your position, with the Director, P.O. Box 690, Jefferson City, Missouri.

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CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of June, 2020, a copy of the foregoing Order and Notice was served upon the Respondents in this matter by UPS, with signature required, at the following address:

Time Insurance Company
Time Insurance Company II
Mr. Max Homes
Chief Executive Officer
268 Avenida De Ponce de Leon, Suite 416 Hato Rey
San Juan, Puerto Rico 00918

Tracking No. 1Z0R15W84299991571



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