

Time Insurance Company (In Rehabilitation)
Frequently Asked Questions (FAQ) for Consumers
May 20, 2020

On May 18, 2020, the Wisconsin Office of the Commissioner of Insurance (OCI) filed a Petition with the Dane County Circuit Court in Madison, Wisconsin (the Court) to place Time Insurance Company (Time) into rehabilitation. The Court has granted and entered an Order for Temporary Injunctive Relief, which prohibits certain actions while the Court considers the Petition. The following are answers to anticipated questions.

General

What is Time?

Time Insurance Company is a stock life, accident, and health insurance company that has been in a runoff status since late 2014. Runoff is a process in which the insurance company stops writing new policies but continues to collect premiums, pay claims, and otherwise service its existing business. Time has life, annuity, long-term care, and other health insurance policies, but is not adding any new policyholders or selling any new products.

Where is Time located?

Time is a Wisconsin-domiciled insurance company and its primary office is located in San Juan, Puerto Rico.

Is Time still in business?

Yes. The OCI Petition as well as the Court's Order allow Time to continue to conduct its business as usual, subject to the limitations of Rehabilitation explained in these FAQs. Time is not selling any new products or enrolling new policyholders.

Is Time selling new insurance policies?

No, Time has not sold new policies since 2014 and that has not changed. This is sometimes called a "closed block."

Who is in charge of Time during rehabilitation?

OCI has asked the Court to appoint Wisconsin Insurance Commissioner Mark V. Afable (the Commissioner) and any successor as the Rehabilitator of Time. OCI's Division of Financial Regulation (DFR), under the direction of Administrator Amy Malm, will oversee Time's rehabilitation. This is standard practice for all

Wisconsin insurance liquidations and rehabilitations. The Commissioner has asked the Court to appoint former Wisconsin Insurance Security Fund Executive Director Mark Femal as its Special Deputy Commissioner (SDC) to represent and assist OCI in this matter.

Who is the Rehabilitation Management Team at the OCI?

The Rehabilitation Management Team (RMT) at OCI is an informal group that consists of the Rehabilitator, the Special Deputy Commissioner (SDC), Administrator Amy Malm, and the DFR.

Who is the Special Deputy Commissioner and what is his role?

As outlined in the Rehabilitation Petition and Wis. Stat. § 645.33 (1), the Commissioner has asked the Court to appoint Mark Femal, an insurance rehabilitation expert, as its Special Deputy Commissioner (SDC). Under the Rehabilitation Order and the statute, Mr. Femal “shall have all the powers of the rehabilitator” and will be in charge of the company’s day-to-day affairs and of the rehabilitation efforts, subject to the oversight of the Commissioner, OCI, and the Court.

What does rehabilitation mean?

Rehabilitation is a court-supervised process intended to remedy the company’s financial condition to protect policyholders and creditors. The Rehabilitator and the SDC, in conjunction with the RMT, are charged with the protection of Time’s policyholders, creditors, and the public. The RMT’s actions are pursuant to the laws and regulations of Wisconsin and are subject to review by the Court.

What does the Rehabilitation Order provide?

You can review the proposed Rehabilitation Order in its entirety at:

<https://oci.wi.gov/Pages/Companies/RehabilitationTimeInsCo.aspx>

Generally, the Rehabilitation Order, in keeping with Wisconsin law, appoints the Commissioner as Rehabilitator. It also authorizes and directs the Commissioner as

Rehabilitator and the SDC to take possession of Time’s business. This allows for actions to be taken to correct the financial condition that prompted Time’s rehabilitation.

How will rehabilitation change the company’s business?

Initially, Time will continue operating largely as it has been except that it will be under the control of OCI and the RMT. The goal of OCI, in this case, is to propose and obtain Court approval of a Rehabilitation Plan on an expeditious basis. If a Rehabilitation Plan is approved by the Court, the Rehabilitation Plan may mandate changes in Time’s business to protect Time’s policyholders, creditors, and the public.

Why was this action necessary?

On April 3, 2020, Time filed with the Wisconsin Office of the Commissioner of Insurance its 2019 statutory annual financial statement which contained the disclosure that: “[t]he Company’s ability to continue as a going concern is dependent on the approval of the remedial plan by the WI OCI and the PR OCI and the timely closing of the Novation Transaction.” On March 12, 2020, Time submitted a proposal for an “initial plan” to OCI as permitted by a 2020 Stipulation and Order with OCI. The key component of the initial plan was a Novation Transaction. A novation transaction is an act of substituting an existing contract with a replacement contract; where both parties in the novation agree to the transaction. In this instance, the existing reinsurance agreement for the long-term care block of business would have been novated from the current reinsurer to Haven Reinsurance Company II (“Haven Reinsurance”), and Haven Reinsurance would assume all obligations under the reinsurance agreement.

OCI determined, pursuant to Wis. Stat. § 617.21 (3), that the proposal for the Novation Transaction, as presented, was contrary to the interest of policyholders, Time’s creditors, and the public. Therefore, Time has become or is about to become insolvent as defined under Wis. Stat. § 645.41 (2).

Time and its management team continue to work with OCI to present a viable plan which can be approved by OCI. The filing of the Rehabilitation Petition was a step toward developing a Rehabilitation Plan which can gain the approval of both OCI and the Court.

How will the company be rehabilitated?

The Commissioner and SDC will, within 60 days after the Court enters the Rehabilitation Order (and potentially sooner), propose to the Court a Plan for the rehabilitation of Time (the Rehabilitation Plan).

When will the Rehabilitation Plan be filed and provided to policyholders and interested parties?

The proposed Court Order placing Time in rehabilitation (the Rehabilitation Order) requires that a Preliminary Rehabilitation plan be filed within 60 days of the Court entering the Rehabilitation Order unless the Court extends that deadline.

How can I get a copy of the Rehabilitation Order?

The proposed Rehabilitation Order can be downloaded from the company’s website <http://timeinsurancecompanypr.com> It is also available on OCI’s website <https://oci.wi.gov/Pages/Companies/RehabilitationTimeInsCo.aspx>. If you do not have access to the internet, you can call the company at (855) 726-5826 to request a copy of the Order.

Were other efforts made to address Time’s financial problems before it was placed in rehabilitation?

Yes. The Commissioner and Time’s management have been working since February to restore Time’s financial condition before seeking its Rehabilitation. Those efforts continue now with the supervision of the Court.

Is it likely that Time will be placed in liquidation?

The goal of rehabilitation is to avoid placing Time in liquidation, and every effort will be made to avoid that outcome. However, there can be no assurance that a Rehabilitation Plan will be approved and successfully implemented to avoid liquidation.

If Time is placed in liquidation, when will that happen?

The RMT cannot predict at this time whether, and if so when, Time may be placed in liquidation. Time would be placed into liquidation if the Court finds that the Rehabilitation should be converted to a liquidation. Under Wis. Stat. § 645.35 (1), the Commissioner can request that the Rehabilitation be converted to a liquidation “whenever the rehabilitator believes that further attempts to rehabilitate an insurer would substantially increase the risk of loss to creditors, policyholders, or the public, or would be futile ...”

I have information I want to send only to the rehabilitation team. How do I do that?

You may send an email to mfemalsdc@strohmballweg.com. This is an address accessible only by the SDC.

What is the exact legal name of the court case for Time’s rehabilitation?

The case is titled *In the Matter of the Rehabilitation of Time Insurance Company*, Case No. 2020 CV 1054, in Dane County Circuit Court of Madison, Wisconsin.

How do I keep up with what is going on with Time?

All pleadings filed in Time’s rehabilitation, as well as relevant notices, will be posted on Time’s website <http://timeinsurancecompanypr.com/> and OCI’s website <https://oci.wi.gov/Pages/Companies/RehabilitationTimeInsCo.aspx>.

Whom should I contact for additional information regarding Time or the rehabilitation?

You may write to the company at:

Time Insurance Company
250 Avenida Luis Muñoz Rivera
Suite 420
San Juan, Puerto Rico 00918

You may send electronic mail to:
contact@timeinsurancecompanypr.com

You may also call:
(855) 726-5826

Policyholders

What is the status of my Time policy?

At this time, your policy terms and conditions remain exactly as it was before the Rehabilitation Petition. It is important that you continue paying any premiums due under the policy on time to avoid cancellation of your policy. You may continue paying your policy in the same manner as before.

Can I request changes to my Time policy?

Yes. However, in addition to Time's established procedures, all requested changes will be subject to review by the RMT.

I am about to move. Will that affect my Time policy?

No. But Time must always have your current and complete contact information. Please be sure Time is informed of any change of address promptly. Although a change in residence will not affect your policy now, your guaranty association coverage could change based on your resident state.

I have not filed claims against my policy. Does Time's rehabilitation affect me?

Not at this time. It is important that you continue paying any premiums due under the policy on time to avoid cancellation. The extent to which the Rehabilitation Plan may eventually affect policyholders will be explained in the proposed Rehabilitation Plan.

I currently have claims outstanding against my policy. Does Time's rehabilitation affect me?

Not at this time. Time will continue to provide the benefits to which you are entitled under your policy. All ongoing claims should be reported to Time per its established procedures. The extent to which the Rehabilitation Plan may eventually affect policyholders who have outstanding claims will be explained in the proposed Rehabilitation Plan.

I have not filed claims against my policy. Does Time's rehabilitation affect me if I plan to file a claim?

Not at this time. All new claims should be reported to Time per its established procedures. Time will continue to provide the benefits to which you are entitled under your policy. The extent to which the Rehabilitation Plan may eventually affect policyholders who have outstanding claims will be explained in the proposed Rehabilitation Plan.

Should I cancel my Time insurance policy and replace it with a policy from another insurer?

That is a decision only you can make. You should know, however, that life and long-term care insurance policies are generally substantially more expensive if purchased when the beneficiary is older at the time of purchase and that newer policies may not provide the coverages currently provided by your Time policy. **If you cancel your policy, you will not get any premium back.**

Is it likely that the Rehabilitator will cancel Time's insurance policies as part of the Rehabilitation Plan?

While we won't know the terms of the Rehabilitation Plan until it is approved by the Court, the RMT does not contemplate seeking authority to cancel Time's policies. However, if it becomes necessary to place Time in liquidation, it may then be necessary to cancel at least some of Time's policies or parts of those policies.

What are insurance guaranty associations (guaranty associations)?

Guaranty associations are organizations created by state law in each state that are responsible for paying at least some of the amounts owed by insurers in liquidation under their policies.

Are any guaranty associations responsible for the amounts Time owes me or may owe me in the future?

Generally, guaranty associations become responsible for an insurer's obligations only if the insurer is found by the Court to be insolvent and placed in liquidation. Time has not been found by the Court to be insolvent and has not been placed in liquidation. Therefore, no guaranty association is responsible for Time's policy obligations at this time. That is likely to change if Time is placed in liquidation.

My policy has been administered by another company rather than Time. Can I continue to call the administrator I have been working with?

Yes. Your administrator has been provided with information by Time.

If you have an annuity or life insurance policy originally issued by Time or Fortis but now administered by The Hartford / Talcott Resolution, contact:

The Hartford / Hartford Life and Annuity Insurance Company
Talcott Resolution / Talcott Resolution Life and Annuity Insurance Company
1 Griffin Road North
Windsor, CT 06095

www.talcottresolution.com

(800) 862-6668

If you have a life insurance policy originally issued by Time or Fortis but now administered by Prudential, contact:

The Prudential Insurance Company of America

P.O. Box 305033
Nashville, TN 37230-5033

www.policyowner-services.com

Phone: (800) 243-5433

Fax: (844) 475-7018

If you have a long-term care insurance policy originally issued by Time or Fortis but now administered by John Hancock, contact:

John Hancock Life Insurance Company (U.S.A.)

200 Berkeley Street

Boston, MA 02116

www.johnhancock.com

(800) 377-7311

If you have a small group self-funded business insurance or supplemental health insurance policy originally issued by Time or Assurant Health but now administered by National General / Integon, contact:

National General Insurance

P.O. Box 89431

Cleveland, OH 44101-6431

www.nationalgeneral.com

(888) 293-5108

If you have a Time or Assurant Health or other policy administered directly by Time Insurance Company, contact:

Time Insurance Company

P.O. Box 194320

San Juan, Puerto Rico 00919

www.timeinsurancecompanypr.com

(888) 363-3361

ABOUT THESE QUESTIONS AND ANSWERS: The information contained in these questions and answers is intended to be general guidance and does not address any specific claim or circumstances. Nothing herein constitutes a binding legal statement by the Commissioner, the Rehabilitator, the SDC, the RMT, OCI, or Time. The statements contained herein are not intended to serve as and do not constitute, legal advice or complete legal descriptions of the events or matters to which they relate. Any forward-looking statements are based on current expectations and assumptions, which are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. For full legal information, interested parties should review the Rehabilitation Order and the applicable Wisconsin statutes, and other legal authorities.

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