State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

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DATE: September 17, 2018

TO: Amy J. Malm, Hearing Examiner
Richard Hinkel

FROM: Michael A. Mancusi-Ungaro
Steven J. Junior

SUBJECT: The Acquisition of Control and Merger of Time Insurance Company by Haven Holdings Inc. and Haven Insurance Company II (Case No. 18-C42803).

Executive Summary

This Form A statement concerns the announced acquisition of control and merger of Time Insurance Company ("Time") by Haven Holdings Inc. ("HHI") and Haven Insurance Company II ("HICII", and together with HHI, the "Applicants"). Time is a Wis. Stat. ch. 611 stock insurance corporation that is licensed as health insurer.

The Applicants are purchasing Time Insurance Company, which is currently in runoff, as part of their broader strategy of purchasing closed blocks of insurance policies and holding them until maturity believing that their expertise in managing risk and running investment portfolios will be exceedingly profitable. The Applicants also believe that their reserves will compound quicker and at a high level because their operations are based in Puerto Rico, a lower tax jurisdiction. While OCI does not express an opinion on the profitability of this business plan, the Applicants have a demonstrated record of successful investing, though Mr. Max Holmes last fund was forced to close during the financial crisis of 2008-2009 due to large redemptions.

The Applicants' plan is not without risk, however. According to the confidential financial projections attached at Exhibit 12(a)(1) to the Form A, unclaimed funds is approximately a third of the value of Time Insurance Company and is 3.5 times projected capital and surplus. Also, Assurant, the Seller, maintains the option to sell or retain Time's $106,720,744.41 ACA Risk Corridor claim against the US Government that has a nominal value of $12,204,191.00. Per the Form A and Stock Purchase Agreement, prior to closing of the Stock Purchase Agreement, Time will transfer to an affiliate of Assurant its rights and obligations in the ACA Risk Corridor claim, its ownership of the Time headquarters in Milwaukee Wisconsin, and the items scheduled in Exhibit 1(d) to the Form A, which are being held confidential at this time.

A review of the biographical affidavits for the proposed officers and directors, as supplied with the Form A, did not raise any serious concerns after OCI's own independent investigation and further discussion and explanation from the Applicants' counsel[1].

Of more serious concern, however, where five questions OCI asked the Applicants on September 21, 2018. They were:

1. Since the closing cash payment and secured promissory note are intended to approximate the total adjusted capital, which is essentially the statutory book value of the company with certain fairly customary mark-to-market and affiliated settlement adjustments, what are the projected balance sheet assets and liabilities immediately following the payment of the secured promissory note? Are there any intentions to contribute any capital or surplus immediately following the intended extraordinary dividend from Time Insurance Company that is intended to pay of the secured promissory note?

2. Will the existing run-off of Time Insurance Company be segregated into one or more protected cells? If so, what is the contemplated segregation and funding of each such protected cell?

3. Given that haven Holdings Inc. only has $1.394 million in assets and have Insurance Company II has only $1.25 million in assets, where will the Applicants get additional funds if Time Insurance Company needs additional capital?

4. How will the applicants work to resolve the more than $8.8 million in unclaimed property now held by Time Insurance Company? What is the amount of unclaimed property due Wisconsin residents? Is there a plan for more aggressive outreach to Time's unclaimed property claimants to return funds that are rightfully theirs?

5. Do the Applicants intent to establish a facility to enable claimants on the existing run-off book of Time Insurance Company to contact to company by telephone, as well as by mail, to resolve questions concerning their claims?

The Applicant gave satisfactory answers to the questions posed above.

The next concern was that after transferring certain assets to Assurant, would Time have enough capital to comply with Wisconsin's RBC regulations. A basic check of the RBC calculation would indicate that absent any other arrangement after the extraordinary dividend, Time would be left with an RBC of about 33 which would require rehabilitation or liquidation of the insurance operations and would trigger the s. 611.72 Wis. Stats. grounds for disapproval.

To prevent this noncompliance with RBC regulations, the Applicants filed updated projections on October 1, 2018 and supplemented that filing on October 2, 2018. The October 1st projections

[1] Certain officers and directors inadvertently forgot to list past liens that were filed 20-30 years ago as part of normal financial transactions or misunderstandings with tax authorities in California.

indicated that the Applicants would take the current Time book of business and segregate it into three different asset plans, one for each primary reinsurance treaties with John Hancock, Prudential, and Integon. Each of these separate accounts is fully reinsured. This would leave Time with a general account of approximately 150 directly insured run-off policies and four much smaller reinsurance treaties of which would have the required capital to satisfy a post-closing RBC level of over 300% as to the general account.

After reviewing the Stock Purchase Agreement, the Business Plan, biographical affidavits and the Form A, the proposed acquisition of control should be approved. As requested by Applicant, the Service Agreement and business plan changes described in Item 5 of the Form A should be permitted without any Form D or business plan change filings that might otherwise be required by HTHP under ss. 611.28(2) or 617.21(2), Wis. Stat., or ss. Ins 9.06 or Ins 40.04, Wis. Admin. Code.

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The Transaction

Interfinancial Inc., a Georgia corporation ("Interfinancial") owns 100% of the issued and outstanding voting stock of the Domestic Insurer, Time. Time is under the ultimate control of Assurant, Inc. ("Assurant"), a Delaware corporation, which directly owns 100% of the outstanding voting stock of Interfinancial.

The acquiring parties in this transaction are Haven Holdings Inc. (“Haven Holdings”) and Haven Insurance Company II (“Haven Insurance” and collectively with Haven Holdings, the “Applicants”). Haven Holdings is a Puerto Rico corporation and an insurance holding company. Haven Insurance is a Puerto Rico corporation and a Puerto Rico-domiciled insurer.

The Applicants intend to acquire control of Time in a two-step transaction: (i) first, Haven Holdings will purchase 100% of the outstanding voting stock of Time from Interfinancial (the “Stock Purchase”), and (ii) second, Haven Insurance will merge with and into Time, with Time surviving the merger and converting to a Puerto Rico corporation and a Puerto Rico-domiciled insurer, thereby redomesticating Time to Puerto Rico. The Applicants expect that the second step will take place immediately after the first step. The first step will occur pursuant to that certain Stock Purchase Agreement (the “SPA”) dated September 4, 2018 by and between Assurant, Interfinancial and Haven Holdings. A true and correct copy of the SPA is attached to this Form A as Exhibit 1(a).

The second step merger will occur pursuant to that certain Merger Agreement (the “Merger Agreement”) that will be entered into immediately after the closing of the Stock Purchase by and between Haven Holdings, Time and Haven Insurance. The conversion by Time from a Wisconsin corporation and Wisconsin domestic insurer to a Puerto Rico corporation and Puerto Rico domiciled insurer (the “Conversion”) will occur upon the closing of the Merger, in accordance with the prior regulatory approval to be requested for such purpose through a filing with the Puerto Rico Office of the Commissioner of Insurance (the “PR Commissioner”), pursuant to the relevant provisions of Chapters 61 and 29 of the Puerto Rico Insurance Code.

A true and correct copy of the Merger Agreement is attached to this Form A as Exhibit 1(b) and has been reviewed by OCI Wisconsin. A merger is required under Puerto Rico law to effectuate a redomestication of Time into Puerto Rico. Additionally, Max Holmes and Jonathan Feldman, officers and directors of Haven Holdings and Haven Insurance, have each entered into a side letter dated September 4, 2018 pursuant to which they agree to cooperate with Assurant in filing accurate documentation with governmental authorities (the “Side Letter”). A true and correct copy of the Holmes Side Letter is attached to this Form A as Exhibit 1(c)(1) and a true and correct copy of the Feldman Side Letter is attached to this Form A as Exhibit 1(c)(2), both of which have been reviewed and are not objectionable to OCI Wisconsin.

Pursuant to the SPA and the Merger Agreement, and subject to all required regulatory approvals, including the approval of this Form A by the Wisconsin Office of the Commissioner of Insurance and approval of the merger and the Conversion by the WI Commissioner and the PR Commissioner, the Applicants intend for Haven Insurance to merge into Time with Time surviving. As a result of the Stock Purchase, Haven Holdings will become the ultimate parent of Time. The specific terms and conditions governing the Stock Purchase, the Merger and the Conversion are set forth in the SPA and the Merger Agreement.

<u>Certain material terms of the SPA and the Merger Agreement are summarized as follows:</u>

As consideration for the equity of Time, and subject to the terms and conditions of the SPA, at the closing of the Stock Purchase Haven Holdings will pay to Interfinancial $1.25 million in cash (the "Closing Cash Payment") and issue a secured promissory note to Interfinancial with a principal amount equal to the adjusted book value of Time at the time of closing (such adjusted book value, the "Purchase Price") *less* $1.25 million (the "Principal Amount"). The projected amount of the secured promissory note is estimated to be approximately $31 million.

Immediately upon the closing of the Stock Purchase, the Merger will be effectuated. Pursuant to the Merger Agreement, Haven Insurance will merge into Time, with Time surviving the merger, and thereafter Time will convert to a Puerto Rico corporation and a Puerto Rico-domiciled insurer, thereby redomesticating to Puerto Rico. As a result, Time Insurance Company will be a Puerto Rico domiciled insurer, and will change its name to Time Insurance Company II.

The SPA and the Merger Agreement contain representations and warranties by the respective parties, and impose certain pre-closing covenants and post-closing indemnification obligations on the parties, in each case that are either customary for transactions of this nature or otherwise suitable for this particular transaction.

The execution and closing of the Stock Purchase and the Merger are subject to closing conditions that are either customary for transactions of this nature or otherwise suitable for this particular transaction, including without limitation conditions relating to the receipt of regulatory approvals, accuracy at the closing date of certain representations and warranties made in the SPA and the Merger Agreement, compliance with pre-closing covenants, the absence of any Material Adverse Effect (as that term is defined in the SPA), and the delivery of certain closing documentation.

In addition to the Stock Purchase, the SPA contemplates certain other transactions including the following, each of which will be subject to the review and approval of the WI Commissioner:

- Prior to the closing of the Stock Purchase, Time will transfer to Interfinancial or another affiliate of Assurant, through a special dividend or distribution, its ownership of the office building Time currently owns located at 501 West Michigan Avenue, Milwaukee, Wisconsin 53203. This dividend/distribution will reduce Time's total adjusted capital by the book value of the office building as shown in Exhibit B-2 of the SPA.
- Assurant will maintain the option to sell or retain the benefits of and proceeds from: (i) Time's $106,720,744.41 ACA Risk Corridor claim against the U.S. Government (Department of Health and Human Services (HHS)); and (ii) the payments set forth on Item 1 of Exhibit 1(d) attached to this Form A. Assurant may effect the foregoing by means of a special dividend or distribution of rights to the foregoing prior to closing.
- Prior to the closing of the Stock Purchase, Time will transfer to an affiliate of Assurant its rights and obligations in: (i) potential reimbursements

owed to Time in connection with (A) certain open claim recovery cases and (B) the matters set forth on Item 2 of Exhibit 1(d) attached to this Form A that are the subject of the Centers for Medicare & Medicaid Services audit of Time's 2015 benefit year program participation (the "2015 CMS Audit Matters"); and (ii) certain potential medical claims payments, Medicaid reimbursement payments and the payments set forth on Item 3 of Exhibit 1(d) attached to this Form A.

- Prior to the closing of the Stock Purchase, Time will settle certain intercompany accounts between Time (on the one hand) and Assurant and its affiliates (on the other hand), including certain tax receivables and/or payables of Time payable and/or receivable by Assurant or one of its affiliates.

It is anticipated that final approval by the PR Commissioner will occur in parallel with consideration of this Form A by the WI Commissioner. A copy of such Office's prior correspondence to the Applicants on this matter dated April 12, 2018 is attached to this Form A as Exhibit 1(e).

It is anticipated that the closing of the Stock Purchase and the Merger will occur on the first day of the first month following the month in which the last of the closing conditions set forth in the SPA are satisfied or waived, or on such other date as Applicants and Assurant may mutually agree in writing; in each case subject to the satisfaction or waiver of all conditions precedent set forth in the SPA and the Merger Agreement, including the approval of this Form A by the WI Commissioner.

The Insurers

Time Insurance Company:

Time Insurance Company (TIC, Time, or the company) is a Wisconsin-domiciled stock life insurance company and was incorporated in Wisconsin on February 11, 1910, under the name Time Insurance Company. Effective April 1, 1998, Time Insurance Company changed its name to Fortis Insurance Company. On September 6, 2005, Fortis Insurance Company changed its name back to Time Insurance Company.

In April 1969, Time Holdings, Inc., was established to serve as the non-operating holding company parent of Time Insurance Company and other direct and indirectly owned financial services operating subsidiaries. During 1978, control of Time Holdings, Inc., was acquired by N.V. AMEV, a large Dutch insurer. Subsequent acquisitions and mergers of N.V. AMEV with other European insurance and banking companies established Fortis, an international financial services holding company which held a majority ultimate controlling ownership interest in Fortis Insurance Company. Ownership interest of the Fortis enterprise was jointly held by Fortis N.V., a corporation domiciled in the Netherlands, and Fortis S.A./N.V., a corporation domiciled in

Belgium. Fortis N.V. and Fortis S.A./N.V. were diversified international insurance, banking, and investment companies that merged their subsidiary operating companies under the trade name Fortis. Fortis, Inc., was the wholly owned U.S. holding company subsidiary of Fortis Insurance N.V., an insurance holding company jointly owned indirectly by Fortis. As of December 31, 2003, the company's direct U.S. parent, Interfinancial, Inc., was a subsidiary of Fortis, Inc.

Effective February 4, 2004, Fortis, Inc., established Assurant, Inc., as a Delaware corporation and merged into Assurant, Inc. (Assurant). As a result of the merger, Assurant is the successor U.S. holding company to the business operations of Fortis, Inc. Effective February 5, 2004, an initial public offering (IPO) of the common stock of Assurant was transacted on the New York Stock Exchange. Subsequent to the 2004 IPO, the ownership interest of Assurant held by Fortis had decreased to approximately 35% of Assurant's outstanding common capital stock, with the remaining 65% ownership of Assurant held by other diverse investors. On January 21, 2005, Fortis sold another 20% ownership interest in Assurant through a public offering.

On January 28, 2008, Fortis distributed shares of Assurant common stock to the holders of the mandatory exchangeable bonds. The shares of the company's common stock distributed to such holders were not registered at the time Fortis sold the exchangeable bonds but became freely transferable by such holders upon distribution. Following this transaction, Fortis owned 4,147,440 common shares, or approximately 3.5% of Assurant's outstanding shares. On August 7, 2008, Assurant purchased one million of its common shares from Fortis and Fortis subsequently sold virtually all remaining shares to other investors.

Prior to March 1999, TIC held 100% ownership interest in two subsidiary insurers, Fortis Benefits Insurance Company (FBIC) and United Family Life Insurance Company (UFLIC). Effective March 31, 1999, TIC distributed FBIC and UFLIC to Interfinancial, Inc., as a dividend. Effective August 11, 2004, the company established the Wisconsin-domiciled subsidiary National Insurance Institute, LLC.

Effective March 1, 2000 the company entered into a 100% coinsurance agreement with John Hancock Life Insurance Company. The agreement is structured as a sale of long-term care insurance policies. John Hancock is the administrator of the business.

Effective April 1, 2001 the company entered into a similar arrangement with Hartford Life Insurance and Annuity Co. for the transfer to Hartford of certain individual life insurance policies and annuity contract written by TIC. Hartford is the administrator of the business.

On June 7, 2015 Assurant Inc decided to exit the major medical health market. Time and John Alden Life Insurance Company (JALIC) sent termination notices and went into runoff, which will take until first quarter 2017 to complete. The companies will continue to exist indefinitely since they are the direct writer of 100% coinsured business. Stop loss for self-insured business and the supplemental business was ceded 100% to Integon National Life.

Effective Oct. 17, 2017, Assurant Inc. (parent) merged with TWG Holdings Ltd (a Bermuda limited company) and its subsidiaries, TWG Re, Ltd (a Cayman Islands corp.), and Arbor Merger Sub, Inc. (a DE corp.). The merger resulted to current stockholders of Assurant owning 77% and shareholders of TWG Holdings owning 23% of the merger. TWG Holdings will change its name to Assurant LTD, and will trade under the ticker symbol of "AIZ". The transaction is expected to close in the first half of 2018.

On Jan. 9, 2018 Assurant, Inc. and TWG amended the structure of their transaction with Assurant, Inc., effective Oct. 17, 2017. The transaction remains valued at $1.9 billion in equity value or $2.5 billion in enterprise value, including TWG's existing debt. Changes include the following:

- TPG Capital and its affiliates will receive 10.4 million Assurant shares (19.8% of the total outstanding shares). This is a reduction of the $16.0 million shares to have been issued previously.
- In exchange for fewer Assurant shares, TPG Capital and its affiliates will receive increased cash consideration, totaling aprox. $860 million, based on the closing price on Jan. 8, 2018 after taking into effect the collar adjustment.
- Assurant has entered into a new commitment letter for a $1.5 billion bridge facility (increased from $1.0 billion) to reflect the new structure. Assurant expects to replace this bridge facility with a combination of debt and equity, subject to market conditions.
- The transaction will no longer be taxable to Assurant's shareholders.
- Upon closing Assurant's board will be comprised of 14 directors, including to from TPG Capital.

<u>Prior to Affordable Care Act</u>

- The company's primary business was the issuance of accident and health insurance, and its business segment focus is individual and small employer group health insurance. The company's individual health products are primarily for annually renewable major medical coverages. Most of the company's individual health products are preferred provider organization (PPO) plans which enable the insured to elect any health care provider and provide for higher benefit payments when health care is rendered by a participating network provider. The company offers a Health Savings Account feature for its individual and small employer group health insurance products whereby insureds may participate in a tax-sheltered savings account to fund the insured's payment of medical expenses including coverage of co-payments and deductibles. The company also sold short-term medical insurance, supplemental coverage products, and self-funded small group products.

- The company's small employer group products were marketed primarily to groups of 2 to 50 employees. The average group size as of year-end 2013 was approximately 5 employees. Almost all of the current group benefit policies are PPO plans and offer a package of employee benefit programs including group medical, group life, group AD&D, group dental, and group short-term disability.

- The company has a broad distribution system to market its products. The distribution system includes a regional sales network using independent agents, relationships with numerous national accounts, and a direct sales channel. National account partners include State Farm Mutual Automobile Insurance Company, American Standard Insurance Company, and USAA.

Post Affordable Care Act

- The company has made significant changes to its operations and products to adapt to the new environment. These changes included the communication of ACA related risks on both a company and corporate level. One major operational change was to consolidate all new sales of health insurance business to TIC making it the primary selling entity of Assurant Health.

- The company reported that it was successful in developing and filing new products that met the mandated essential benefits packages products with 41 states prior to the beginning of the Affordable Care Act open enrollment period for individual products on October 1, 2013.

- In late 2014, Assurance made the decision to exit the accident and health segment of the market to focus on other business segments. With Time Insurance portfolio of business significantly comprised of accident and health, the decision was made to discontinue operations and to go into run-off. This plan was implemented in 2015 and is currently in progress. Progress is being made to achieve the run-off of the company which will be completed in first quarter of 2017.

The Identity and Background of the Applicants

The name and current business address of each Applicant:

Haven Holdings Inc.
268 Avenida Ponce de León
Suite 416 – Hato Rey
San Juan, Puerto Rico 00918

Haven Insurance Company II
268 Avenida Ponce de León
Suite 416 – Hato Rey
San Juan, Puerto Rico 00918

Haven Holdings:

Name	Title	Holder of Shares
Max Holmes	Chief Executive Officer, Chief Investment Officer, Chairman & Director	49.9%
Jonathan Feldman	President & Director	49.9%
Kathleen N. Starrs	Chief Financial Officer, Treasurer & Secretary	Not Applicable
Thomas X. Fritsch	General Counsel & Chief Compliance Officer	Not Applicable
Ralph J. Rexach	Director	0.2%

Haven Insurance:

Name	Title
Max Holmes	Chief Executive Officer, Chief Investment Officer, Chairman & Director
Jonathan Feldman	President & Director
Kathleen N. Starrs	Chief Financial Officer, Treasurer & Secretary
Thomas X. Fritsch	General Counsel & Chief Compliance Officer
Ralph J. Rexach	Director

A review of the confidential biographical affidavits for the above listed officers and directors did not raise any concerns.

Nature, Source and Amount of Consideration

Applicants will purchase 100% of the outstanding voting stock of Time for the Purchase Price, which is the adjusted book value of Time. The Purchase Price will be determined by the book value of Time adjusted as follows and as described more fully in the SPA:

Immediately prior to the closing of the Stock Purchase, Time will sell its investment portfolio for cash. This will result in a mark-to-market of the portfolio as well as the closing out of the Asset Valuation Reserve account of Time.

As noted in Item 1 above, prior to the closing of the Stock Purchase, Time will transfer to Interfinancial or another affiliate of Assurant, through a special dividend or distribution, its ownership of the office building located at 501 West Michigan Avenue, Milwaukee, Wisconsin 53203. This dividend/distribution will reduce Time's total adjusted capital by the book value of the office building as shown in Exhibit B-2 of the SPA.

All intercompany accounts between Time (on the one hand) and Assurant and its affiliates (on the other hand) will be extinguished or satisfied prior to the closing of the Stock Purchase.

As noted in Item 1 above, at the closing of the Stock Purchase, Haven Holdings will make the Closing Cash Payment and issue a secured promissory note to Interfinancial for the Principal Amount. A true and correct copy of the Summary of Terms describing the secured promissory note is attached to this Form A as **Exhibit 4(b)**. Shortly after the closing of the Stock Purchase and Merger, Time will issue an extraordinary dividend distribution to Haven Holdings compliant with and permitted by Puerto Rico law. Haven Holdings will use the proceeds of such dividend to repay the secured promissory note within seven (7) days of the closing of the Stock Purchase.

The Purchase Price is a result of arms' length negotiations between the parties. The Applicants were represented by independent financial advisors (Guggenheim Securities, LLC) and independent legal advisors (Foley & Lardner LLP and Venable LLP). Assurant was represented by independent legal advisors (Sullivan & Cromwell LLP).

The 611.72(3) Standard

Wisconsin Statute s. 611.72(3)(am) creates a five part test to for the Commissioner to use when evaluating the merger or acquisition of a domestic stock insurance company. It reads, in relevant part:

> **(am)** The commissioner shall approve the plan if the commissioner finds…that it would not violate the law or be contrary to the interests of the insureds of any participating domestic corporation or of the Wisconsin insureds of any participating nondomestic corporation and that:
>
> **1.** After the change of control, the domestic stock insurance corporation or any domestic stock insurance corporation controlled by the insurance holding corporation would be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;
>
> **2.** The effect of the merger or other acquisition of control would not be to create a monopoly or substantially to lessen competition in insurance in this state;
>
> **3.** The financial condition of any acquiring party is not likely to jeopardize the financial stability of the domestic stock insurance corporation or its parent insurance holding corporation, or prejudice the interests of its Wisconsin policyholders;
>
> **4.** The plans or proposals which the acquiring party has to liquidate the domestic stock insurance corporation or its parent insurance holding corporation, sell its assets, merge it with any person or make any other material change in its business or corporate structure or management, are fair and reasonable to policyholders of the domestic stock insurance corporation or in the public interest; and

> **5.** The competence and integrity of those persons who would control the operation of the domestic stock insurance corporation or its parent insurance holding corporation are such that it would be in the interest of the policyholders of the corporation and of the public to permit the merger or acquisition of control.

These five requirements are analyzed below.

s. 611.72(3)(am)1: After reviewing the documents provided by the Applicant in their Form A filing, OCI Staff believes that the Applicant is able to satisfy s. 611.72(3)(am)1. As stated in the application and during meetings with the OCI, this acquisition of control will benefit Time's insureds because it moves a large block of polices to a new company that is singularly focused on completing the runoff process. Presently, there is no credible concern that because of the change of control of Time Insurance Company would be unable to satisfy the requirements to hold a license to write the line or lines of insurance for which it is presently licensed.

s. 611.72(3)(am)2: It is OCI's opinion that a Form E analysis is not necessary as this proposed merger involves an insurer in runoff that holds policies across many jurisdictions. As such, the risk that this transaction would eliminate competition in Wisconsin is minimal. OCI's examination of the potential competitive effects concluded that approving the acquisition would not violate the competitive standards set forth in s. Ins 40.025(4), Wis. Adm. Code.

s. 611.72(3)(am)3: Paragraph 3 requires that the financial condition of any acquiring party is not likely to jeopardize the financial stability of the domestic insurance corporation or its parent insurance corporation, or prejudice the interest of its Wisconsin policyholders. After reviewing the documents provided by the Applicants, the concern that Haven's insurance operations would jeopardize the financial condition of Time was deemed minimal given Haven's updated projections and the additional capital Haven's owners could contribute should Time's financial condition deteriorate unexpectedly. OCI, however, will monitor compliance with s. 611.72(3)(am)3, Wis. Stat., going forward.

s. 611.72(3)(am)4: Paragraph 4 requires that the post-transaction plans to change the business structure be "fair and reasonable to policyholders of the domestic stock insurance corporation or in the public interest." Review of the Form A and its supporting documents raise no concerns that certain customers would be prejudiced post-transaction. OCI made sure to get written commitments from the Applicant's that they would prudently pursue Time customers who were owed money but were not located by Assurant. Compliance with s. 611.72(3)(am)4, Wis. Stat., is expected and not a significant concern at this time.

s. 611.72(3)(am)5: Paragraph 5 requires that OCI review the Biographical Affidavits of the proposed officers and directors of the Applicants and this review did not raise any concerns.

Conclusion

The plan for the acquisition of control of Time Insurance Company by Haven Holdings Inc. and Haven Insurance Company II should be approved. The Service Agreement and business plan changes described in Item 5 of the Form A should be permitted.