

STATE OF WISCONSIN : CIRCUIT COURT : DANE COUNTY  
BRANCH 15

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In the Matter of the Rehabilitation of:

Case No. 2020-CV-1054

Time Insurance Company  
c/o: Office of the Commissioner of Insurance  
125 South Webster Street  
Madison, WI 53703

Case Code: 30703

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**NOTICE OF MOTION AND MOTION TO APPROVE ASSUMPTION**

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TO: All Interested Parties

**NOTICE**

PLEASE TAKE NOTICE that the Commissioner of Insurance of the State of Wisconsin, Nathan Houdek, as Rehabilitator of Time Insurance Company (the “Commissioner” or the “Rehabilitator”), brings this Motion for Approval of Assumption (the “Motion”) for hearing, if necessary, before the Circuit Court for Dane County, in the Dane County Courthouse, 215 S. Hamilton Street, Madison, WI 53703-3285, on a date and at a time to be determined by the Court. Objections to the Motion, along with supporting documentation, shall be filed with the Court and served on the Commissioner, by his attorneys, James A. Friedman and Zachary P. Bemis of Godfrey & Kahn, S.C., and any other party who has filed an appearance in this action, within 14 days of the filing of the Motion.

## MOTION

Nathan Houdek, Commissioner of Insurance of the State of Wisconsin, as Rehabilitator of Time Insurance Company (the “Commissioner” or the “Rehabilitator”), hereby moves the Court, pursuant to Wis. Stat. §645.33 and chapter 645, in general, to enter an Order approving the June 14, 2022 Assumption Agreement between Time Insurance Company (“Time”) and Talcott Resolution Life and Annuity Insurance Company (“Talcott”). As grounds for this Motion, the Commissioner states as follows:

1. On April 1, 2001, Time and Talcott entered into a series of agreements regarding certain life insurance and annuity contracts (the “Business”), by which Talcott agreed to reinsure the Business on a 100 percent coinsurance basis, to administer the Business, and to provide for a trust account for the benefit of Time (collectively, the “Business Agreements”).

2. Pursuant to the Business Agreements, Talcott, in essence, assumed virtually all rights and responsibilities with respect to Time’s policyholders in the Business. In fact, because virtually all communications with those policyholders has come from Talcott or its contractual partners, not Time, those policyholders generally consider Talcott their insurance company for the Business.

3. On May 18, 2020, the Commissioner filed in this Court a Petition for Order for Rehabilitation of Time (the “Rehabilitation Petition”). On July 29, 2020, the Order for Rehabilitation (the “Rehabilitation Order”) was entered.

4. Talcott provided notice of the Rehabilitation Petition to the Business policyholders. None of those policyholders filed an objection with this Court as to the Rehabilitation Petition.

5. The Rehabilitator has reviewed the Business Agreements and performed other extensive due diligence concerning the proposed assumption. Based on that review, the Rehabilitator has determined that it would be in the best interests of the Business policyholders for Talcott to assume all of Time's rights, title, interests, and obligations with respect to the Business. Furthermore, based on the current relationship between Talcott and the Business policyholders, the Rehabilitator has determined that such an assumption will cause little, if any, disruption to the policyholders. As a necessary step in the assumption, the Business Agreements will terminate.

6. Talcott is a financially sound insurance company, licensed to do business and in a good standing in all states in which the Business insurance policies were issued.

7. On June 14, 2022, Talcott and the Commissioner, as Rehabilitator of Time, entered an Assumption Agreement, subject to this Court's approval. A true and correct copy of the Assumption Agreement is appended to this Motion as Exhibit 1.

8. Pursuant to Wis. Stat. § 645.33(2), "[s]ubject to court approval, the Rehabilitator may take the actions he or she deems necessary or expedient to reform and revitalize the insurer [in rehabilitation]." The Rehabilitator believes that the June 14, 2022 Assumption Agreement is "necessary [and] expedient to reform and revitalize" Time.

9. The Commissioner has provided notice to insurance regulators in other states that an assumption agreement will be entered into with Talcott and has received no objection.

10. For efficiency and ease of accounting, the Rehabilitator requests that Talcott's assumption of Time's Business, pursuant to the Assumption Agreement, be effective on July 1, 2022.

11. The Rehabilitator will provide notice of the assumption to all effected Business policyholders within 60 days of entry of an Order approving the assumption. The Rehabilitator may delegate this responsibility to Talcott. Because Time is in rehabilitation, the Rehabilitator need not seek the approval of the effected policyholders of Time. Wis. Stat. § 645.33(2); *see In re Ambac Assurance Corp.*, 2013 WI App 129, 351 Wis. 2d 539, 841 N.W.2d 482; *see also* NAIC Assumption Reinsurance Model Act, sec. 7.

NOW, THEREFORE, for the reasons stated above and based on the entire record in this action, the Rehabilitator asks the Court to enter an order approving the June 14, 2022 Assumption Agreement between Time and Talcott.

Dated at Madison, Wisconsin, this 15<sup>th</sup> day of June 2022.

GODFREY & KAHN, S.C.  
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Respectfully submitted,

GODFREY & KAHN, S.C.

By: Electronically signed by James A. Friedman  
James A. Friedman  
Zachary P. Bemis  
Attorneys for Petitioner Nathan Houdek,  
Commissioner of Insurance of the State of  
Wisconsin

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