

**FILED**  
**05-16-2022**  
**CIRCUIT COURT**  
**DANE COUNTY, WI**  
**2020CV001054**

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 May 9, 2022 Assumption Agreement between Time Insurance Company (“Time”) and John Hancock Life Insurance Company (U.S.A.) (“JHUSA”). As grounds for this Motion, the Commissioner states as follows:

1. On March 1, 2000, Time and JHUSA entered into a Reinsurance Agreement, as amended February 22, 2018, regarding long-term care insurance business (the “Business”) (the “Reinsurance Agreement”), an Administrative Services Agreement (the “Administrative Services Agreement”), and a related Trust Agreement, as amended February 22, 2018, with the Bank of New York Mellon, as trustee (the “Original Trust Agreement”), by which JHUSA agreed to reinsure on a 100 percent coinsurance basis and to administer the Business.

2. On November 1, 2018: (a) TIC and JHUSA, among other parties, entered into an amendment to the Original Trust Agreement, pursuant to which TIC was terminated as a party to the Original Trust Agreement, and (b) TIC and JHUSA entered into a separate Trust Agreement with the Bank of New York Mellon, as trustee (the “Trust Agreement”, and together with the Reinsurance Agreement and the Administrative Services Agreement, the “Business Agreements”).

3. Pursuant to the Business Agreements, JHUSA, 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 JHUSA, not Time, those policyholders generally consider JHUSA their insurance company for the Business.

4. 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.

5. JHUSA 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.

6. 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 JHUSA to assume all of Time’s rights, title, interests, and obligations with respect to the Business. Furthermore, based on the current relationship between JHUSA 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 Reinsurance Agreement and the Administrative Services Agreement will terminate.

7. JHUSA 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.

8. On May 9, 2022, JHUSA 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.

9. 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 May 9, 2022 Assumption Agreement is “necessary [and] expedient to reform and revitalize” Time.

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

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

12. 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 JHUSA. 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 May 9, 2022 Assumption Agreement between Time and JHUSA.

Dated at Madison, Wisconsin, this 16<sup>th</sup> day of May 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