

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR MERGER
WITH A DOMESTIC INSURER

TIME INSURANCE COMPANY

Name of Domestic Insurer

by

HAVEN HOLDINGS INC.

and

HAVEN INSURANCE COMPANY II

Names of Acquiring Persons

Filed with the Office of the Commissioner of Insurance, State of Wisconsin

Dated September 7, 2018

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Max Holmes
Chairman & Chief Executive Officer
Haven Holdings Inc.
268 Avenida Ponce de León
Suite 416 – Hato Rey
San Juan, Puerto Rico 00918
(787) 919-0762
max.holmes@hamllc.com

With a copy to:

Jill Allison Opell
Foley & Lardner LLP
90 Park Avenue
New York, New York 10016
(212) 338-3520
jaopell@foley.com

and

Thomas R. Hrdlick
Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, WI 53202-5306
(414) 297-5812
thrdlick@foley.com

ITEM 1. INSURER AND METHOD OF ACQUISITION

The name and address of the Domestic Insurer to which this application (this “**Form A**”) applies is: Time Insurance Company (“**Time**” or the “**Domestic Insurer**”), 501 West Michigan Street, Milwaukee, Wisconsin 53203 (NAIC #69477).

Interfinancial Inc., a Georgia corporation (“**Interfinancial**”) owns 100% of the issued and outstanding voting stock of the Domestic Insurer. The Domestic Insurer 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)** and is incorporated herein by reference. 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 is incorporated herein by reference. 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 are incorporated herein by reference.

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 (the “**WI Commissioner**”) 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 (the “**Merger**”). 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.

Certain material terms of the SPA and the Merger Agreement are summarized as follows:

- 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.

This statement is submitted for the purpose of obtaining the approval of the WI Commissioner pursuant to Section 611.72 of the Wisconsin Statutes and Section 40.02 of the Wisconsin Administrative Code.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANTS

(a) The Applicants

The name and address of the Applicants is as follows:

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

(b) The Applicants' Business Operations

Haven Holdings is a Puerto Rico corporation formed in 2017 by Max Holmes and Jonathan Feldman to leverage their extensive industry experience and history of successful special situations investing. Haven Holdings' goal is to acquire closed blocks of insurance policies in runoff, and create value for Haven Holdings' investors as well as policyholders and sellers of runoff blocks, through carefully structured transactions and focused asset and liability management.

Haven Insurance is an International Insurer organized under the provisions of Chapter 61 of the Puerto Rico Insurance Code (the "Code"), with Class 5 authority. Accordingly, Haven Insurance is authorized to transact insurance and reinsurance as set forth in the Code. Haven Insurance became authorized by the PR Commissioner pursuant to a Certificate of Authority issued on December 29, 2017. In addition, on February 23, 2018, Haven Insurance received a Grant of Tax Exemption (also known as a Tax Decree) from the Department of Economic Development and Commerce and the PR Commissioner, which is described more fully below and which runs for fifteen (15) years starting on the date the Certificate of Authority was issued.

The principal business of the Applicants is to seek to purchase closed blocks of insurance policies in run-off in the life insurance, annuities, disability, health, long-term care and pre-need lines of insurance.

The Applicants intend to adopt a focused asset and liability management strategy, which will benefit policyholders, including through:

- A gradual increase in investment returns, in compliance with NAIC Regulations.
- Lowering costs of administration through outsourcing or pooled self-administration.
- A lower tax rate which allows reserves to compound at a higher level.

The Applicants' strategy is primarily focused on the acquisition of closed insurance blocks, particularly those which have failed to meet underwriting projections (on investment returns, on the ultimate cost of liabilities, or both). These blocks of business are usually not attractive for acquisition by hedge funds and private equity funds, which

are required to periodically return capital to shareholders. The Applicants, with their long-term approach to asset and liability management, are better positioned for such acquisitions.

The blocks of business expected to be purchased are in the life insurance, annuities, disability, health, long-term care and pre-need lines of insurance. Haven Holdings' initial acquisition strategy involves the merger of insurers and reinsurers into newly-formed Puerto Rico-domiciled insurance company subsidiaries of Haven Holdings.

Haven Holdings and Haven Insurance are domiciled in Puerto Rico. The Applicants carefully chose to domicile and operate in Puerto Rico for a variety of reasons, many of which revolve around the fact that the Applicants believe that being in an NAIC-accredited jurisdiction provides benefits to its stakeholders which are not available in offshore jurisdictions.

(1) The goal of the Applicants is to provide sellers of closed blocks with finality, to completely exit a particular line of business. Although reinsurance is the typical solution, the underlying insurer always remains liable and the liability remains on the underlying insurer's balance sheet. Haven believes that the sale of an insurance company in runoff, such as Time, to another insurer in a NAIC-accredited jurisdiction will be an attractive alternative to reinsurance or policy-by-policy complete novation.

(2) Puerto Rico law permits the protected cell structure. This permits Haven Insurance to protect legacy policyholder blocks from subsidizing the losses of non-performing blocks. Precisely because the Applicants' strategy contemplates purchasing blocks of insurance of different categories, that have been previously managed as independent companies serving varying market segments, the capability of maintaining the "separateness" of such portfolios by relying on the protected cell provisions of Chapter 61 of the Puerto Rico Code makes our vehicle an attractive option.

(3) Puerto Rico law allows an insurer to report under statutory accounting, GAAP accounting or both. As Time continues its runoff, this can present an opportunity for meaningful savings for Time.

(4) A core part of the Applicants' strategy is that they believe they can achieve investment results for Haven Insurance which are superior to generic outsourced solutions or typical in-house management by most larger insurers, in full compliance with applicable NAIC regulations and counterparty contractual requirements. To that end, Max Holmes and Jonathan Feldman have created Haven Asset Management (Insurance) LLC, a Delaware limited liability company with offices in Greenwich, Connecticut ("HAMI"). HAMI is a Registered Investment Advisor with the U.S. Securities and Exchange Commission.

(5) Puerto Rico offers competitive tax rates for insurance and reinsurance. Specifically, under Haven Insurance's Tax Decree, there is a flat 4% tax rate for ordinary net income of the insurer and no income tax for net income of protected

cells (again, benefitting both Haven Holdings, Haven Insurance and the underlying policyholders).

The Domestic Insurer has been in runoff since April of 2015 and has reinsured all but approximately one hundred fifty (150) remaining in force policies. These remaining policies are comprised primarily of guaranteed renewable accident and health policies, including major medical and hospital indemnity policies, and were written by Time and its predecessor companies over the past five decades.

(c) Organization Chart

The chart attached hereto as **Exhibit 2(c)(1)** lists the present identities of, and inter-relationships among, the Applicants and all known affiliates of the Applicants. Additionally, the chart attached hereto as **Exhibit 2(c)(2)** lists the proposed post-acquisition identities of, and inter-relationships among, the Applicants and all known affiliates of the Applicants. Such charts indicate the percentage of ownership interests, type of organization, and state or other jurisdiction of domicile of each person that is owned or controlled by the Applicants or by any such person. There are no court proceedings involving a reorganization or liquidation pending with respect to any such person.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANTS

Identity of Officers, Directors and Owners

Following are the names and titles of the respective directors, executive officers and owners of the Applicants at the effective date of the Merger:

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

To the knowledge of the Applicants, no person listed in this Item 3 has ever been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the last 10 years.

Biographical Affidavits and Authority for Release of Information

Biographical Affidavits and completed releases as required by the WI Commissioner are enclosed with this Form A under separate cover.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) As noted in Item 1 above, 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.

- (b) 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.
- (c) 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).

ITEM 5. FUTURE PLANS FOR INSURER

- The Applicants intend to cause the directors and officers of Time to be replaced with the following persons:

Time Directors

Name	Title
Max Holmes	Chairman & Director
Jonathan Feldman	Director
Jose O. Montemayor	Director

Time Officers

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

- Except as described above or elsewhere in this Form A, the Applicants have no current plans or proposals to liquidate Time, to sell any of Time's assets outside of

the ordinary course of business, to merge Time with any person or persons or to make any other material change in Time's business operations, corporate structure or management, as more particularly set forth in **Exhibit 12(a)(1)** hereof. Any future dividends and distributions will be subject to board approval and will be made in strict compliance with all applicable laws, regulations and accounting standards. In connection with the redomestication approval, the Applicants have also submitted a detailed business plan to the PR Commissioner.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Pursuant to the SPA, Haven Holdings will purchase from Interfinancial all of the issued and outstanding shares of capital stock of Time, which shall be a total of 1,250,000 shares of voting common stock. As noted in Item 4, the terms and conditions of the SPA were arrived at through arms' length negotiations between the Applicants and Assurant.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as set forth in the SPA, neither the Applicants nor any of their affiliates or any of the persons listed in Item 3 has a beneficial interest in, or the right to acquire a beneficial interest in, the voting securities of Time.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Other than as set forth in the SPA, there are no contracts, arrangements or understandings directly or indirectly related to any voting securities of Time to which the Applicants, their respective affiliates, or any person listed in Item 3 is a party, including but not limited to: transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

There have been no direct or indirect purchases of any voting securities of Time by the Applicants, their affiliates or any person listed in Item 3 during the twelve calendar months preceding the filing of this Form A.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Except for the SPA, neither the Applicants, its affiliates or any person listed in Item 3, or to the knowledge of the Applicants, any other person based upon interviews or at the suggestion of the Applicants, their affiliates or any person listed in Item 3, has made any recommendations to others to acquire any shares of the voting securities of Time during the twelve calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

There are no agreements, contracts or understandings with any broker-dealer as to the solicitation of voting securities of Time for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements, exhibits, and three-year financial projections of the Time are attached to this statement as an appendix, as noted below.

Entity	Exhibit
Three-Year Financial Projection of Time	12(a)(1)
Haven Holdings Inc. 2017 Audited Financial Statement	12(a)(2)
Haven Insurance Company II 2017 Audited Financial Statement	12(a)(3)

- (b) Both Haven Holdings and Haven Insurance have only been in existence since 2017. Therefore each entity only has one year of audited financial statements, which are attached hereto as **Exhibits 12(a)(2)** and **12(a)(3)**, respectively.
- (c) Other than in connection with this Form A, there have been no tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the Domestic Insurer, nor any proposed employment, consultation, advisory or management contracts concerning the Domestic Insurer, nor any annual reports to the stockholders of the Domestic Insurer and the Applicants for the last two (2) fiscal years.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Applicants agree to provide, to the best of their knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the merger of control occurs, to the PR Commissioner, in the form and as required under Puerto Rico law.

