

FILED
07-13-2022
CIRCUIT COURT
DANE COUNTY, WI
2020CV001054

STATE OF WISCONSIN : CIRCUIT COURT : DANE COUNTY

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

**ORDER TERMINATING REHABILITATION AND ORDER FOR LIQUIDATION
WITH FINDING OF INSOLVENCY**

Based on the Verified Petition of Nathan Houdek, the Commissioner of Insurance of the State of Wisconsin (the “Commissioner”), to terminate the rehabilitation and for the liquidation of Time Insurance Company (“Time”), the provisions of Wis. Stat. §§ 645.35 and 645.42, and all other applicable laws, and having found that sufficient grounds and good cause exist for the relief requested by the Commissioner, the Court now finds that grounds for the liquidation of Time exist under Wis. Stat. § 645.41; that Time is insolvent; and that the notice of the liquidation Petition provided by the Commissioner satisfied due process requirements. Accordingly,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Verified Petition of the Commissioner is granted.
2. The rehabilitation of Time is terminated.
3. Time is hereby placed in liquidation effective September 1, 2022, pursuant to

Wis. Stat. § 645.42. This Court shall be the Liquidation Court for all matters relating to Time,

and it shall retain personal and subject matter jurisdiction and venue for all matters in this proceeding and related to the liquidation of Time.

4. The Commissioner, Nathan Houdek, and his successors in office, are hereby appointed Liquidator of Time. The recording of this Order with any register of deeds in the state imparts the same notice as a deed, bill of sale, or other evidence of title recorded with the register of deeds.

5. The Liquidator shall have the full powers, authority, and protections granted pursuant to Wis. Stat. §§ 645.42 to 645.46, chapter 645, generally, and all other applicable laws, as are reasonable and necessary to fulfill his duties and responsibilities under this Order.

6. The Liquidator shall appoint Mark Femal of Strohm Ballweg as Special Deputy Liquidator for the purposes of carrying out the liquidation, and Mr. Femal shall have all of the powers of the Liquidator under Wis. Stat. §§ 645.42 to 645.46, chapter 645, generally, and all other applicable laws, as are reasonable and necessary to fulfill his duties and responsibilities under this Order. The Special Deputy Liquidator may appoint one or more Assistant Special Deputy Liquidators to perform such duties as shall be assigned to or required of them, from time to time, by the Liquidator, the Special Deputy Liquidator, or by this Court. Pursuant to Wis. Stat. § 645.08(1), the Liquidator, the Special Deputy Liquidator, and any Assistants shall serve without bond. The fees and expenses of the Special Deputy Liquidator and any Assistants shall be priority administrative expenses.

7. Pursuant to Wis. Stat. §§ 645.42, 645.46, and 645.51, the Liquidator shall take exclusive possession and control of, and is vested with all right, title, and interest in, all of the property and assets of Time. Furthermore, the Liquidator and the Special Deputy Liquidator are

granted the authority to coordinate, operate, and conduct all business and administrative activities for Time with the full power authorized under chapter 645.

8. The Liquidator is hereby vested with all right, title, and interest in and to all recoverables under reinsurance agreements of any kind entered into by Time, and each such reinsurer of Time is hereby enjoined and restrained from terminating, canceling, failing to extend or renew, or reducing or changing coverage under any reinsurance agreement with Time.

9. In connection with managing the affairs of Time, the Liquidator and Special Deputy Liquidator are hereby authorized to work with representatives of Time and to redelegate the authority and right to operate Time, in whole or in part, during the pendency of these liquidation proceedings, to Time's officers, directors, managers, and employees, or to delegate the same, in whole or in part, to other qualified individuals or entities, and to rescind such delegation at any time at their discretion. The costs for these services shall be priority administrative expenses.

10. The Liquidator may, in his discretion, reject any executory contract in which Time is a party.

11. The Liquidator shall appoint Godfrey & Kahn, S.C. to represent the Liquidator in these proceedings and any other matter arising out of the liquidation of Time. Godfrey & Kahn's fees and expenses shall be priority administrative expenses.

12. The Liquidator and/or the Special Deputy Liquidator are hereby authorized to negotiate and conclude contracts providing for reasonable compensation and expenses for such experts and contractors as are deemed necessary to effectuate the liquidation of Time. The cost for these services shall be priority administrative expenses.

13. All persons and entities are permanently enjoined and restrained from commencing or prosecuting any actions, claims, lawsuits, administrative or other proceedings against Time, the Commissioner as Liquidator of Time, the Special Deputy Liquidator, and their Assistants, employees, and the consultants and experts they retain for the liquidation, except as set forth in paragraph 16 below.

14. The Liquidator's employees (past and present), the Special Deputy Liquidator, Godfrey & Kahn, S.C., officers and employees of Time (past and present) acting under the direction of the Liquidator, and any other professionals who the Liquidator employs or retains as independent contractors to assist in the liquidation process, and the other professional's employees (past and present) shall have official immunity and shall be immune from suit and liability, both personally and in their official capacities, for any claims for damage to or loss of property or personal injury or other civil liability caused by or resulting from any alleged act, error, or omission arising out of or by reason of their duties or employment with respect to the Time liquidation; provided that nothing in the Court's Order shall be construed to immunize the Liquidator or any other person or entity identified in this paragraph from suit or liability for any damage, loss, or injury caused by their intentional misconduct. If any legal action is commenced against any person or entity identified in this paragraph, whether against that person or entity personally or in an official capacity, alleging property damage, property loss, personal injury or other civil liability caused by or resulting from any alleged act, error, or omission arising out of or by reason of their duties or employment in connection with this liquidation, that person or entity shall be indemnified from the assets of Time for all expenses, attorney's fees, judgments, settlements, decrees, or amounts due, owing, or paid in satisfaction of or incurred in the defense of such legal action, unless it is determined upon a final adjudication on the merits that the

alleged act, error, or omission did not arise out of or by reason of the person's or entity's duties or employment for the Time liquidation, or was caused by intentional misconduct. Any indemnification for expense payments, judgments, settlements, decrees, attorney's fees, surety bond premiums, or other amounts paid or to be paid from the assets of Time pursuant to this paragraph shall be priority administrative expenses.

15. All persons and entities are enjoined and restrained from obtaining preferences, judgments, attachments, or other liens or making any levy against Time's assets or any part thereof.

16. All parties to actions, lawsuits, administrative or other proceedings in which Time is or is alleged to be obligated to defend a party pursuant to an insurance policy, bond, contract, or otherwise, or in which Time is named a party, pursuant to Wis. Stat. § 803.04(2), are enjoined and restrained from commencing or prosecuting those actions, lawsuits, and proceedings for a period of 180 days from the date of entry of this Order.

17. All persons and entities having possession, custody, or control of any assets of Time of any kind whatsoever shall preserve and deliver immediately such assets to the Liquidator.

18. All persons or entities, other than the Liquidator or a person or entity acting on behalf of or with the permission of the Liquidator, are hereby enjoined from transacting any business for or on behalf of Time.

19. Pursuant to Wis. Stat. chapter 645 and this Order, any person or entity violating the terms of this Order shall be subject to the sanctions contained in Wis. Stat. § 601.64.

20. The currently in force policies directly insured by Time and not subject to reinsurance agreements shall be continued, pursuant to Wis. Stat. § 645.43, and by applicable

state Guaranty Associations in accordance with their respective state's laws; or they will be terminated in accordance with Wis. Stat. § 645.43, where there is no Guaranty Association coverage.

21. The Liquidator shall provide proof of claim forms to all policyholders, claimants under Time's policies, Guaranty Associations, and all other creditors within 30 days of the entry of this Order. Furthermore, the Liquidator shall publish legal notice including the proof of claim form in newspapers likely to apprise the public of the claim process within 30 days of the entry of this Order. The bar date for filing any claims with the Liquidator shall be six (6) months after the entry of this Order.

22. Any and all actions taken, or not taken, by the Liquidator or the Special Deputy Liquidator in this liquidation shall not be construed to be, nor considered, a preference under Wis. Stat. § 645.54, or as that term generally is used in receivership and bankruptcy law.

23. The rights and liabilities of Time and its creditors, policyholders, shareholders, members, and all other persons interested in its estate are fixed as of the date of the filing of the Petition, except as otherwise provided in this Order or Wis. Stat. chapter 645.

24. The Liquidator and/or the Special Deputy Liquidator may, at any time, petition this Court for such other or further relief as they deem appropriate.

25. Exclusive jurisdiction over Time shall remain with this Court in all matters relating to this liquidation.

26. Hereafter, the caption of this action and all pleadings in this action shall read: "In the Matter of the Liquidation of: Time Insurance Company".

Prepared by:

GODFREY & KAHN, S.C.
One East Main Street, Suite 500
P. O. Box 2719
Madison, WI 53701-2719
Tel: (608) 257-3911
Attorneys for the Commissioner of Insurance

27274919.1

PROPOSED