

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO.: CO19-1218-002

IN THE MATTER OF:)

John Hancock Life Insurance Company)
201 Townsend Street, Suite 900,)
Lansing, MI 48933)
NAIC Number: 65838)

Talcott Resolution Life and)
Annuity Insurance Company)
1 Griffin Road N)
Windsor, CT 06095)
NAIC Number: 71153)

Integon National Insurance Company)
5630 University Parkway)
Winston-Salem, NC 27105)
NAIC Number: 29742)

National Health Insurance Company)
4455 LBJ Freeway, Suite 375)
Dallas, TX 75244)
NAIC Number: 82538)

Respondents.)

Type of Agency Action: Enforcement)

FILED

MAR 06 2020

STATE OF INDIANA
DEPT. OF INSURANCE

**ORDER GRANTING MOTION TO EXTEND
EMERGENCY CEASE AND DESIST ORDER**

The Indiana Department of Insurance Commissioner Stephen W. Robertson, now being so advised, hereby grants the Department's Motion to Extend Emergency Cease and Desist Order for an additional ninety (90) days, pursuant to Indiana Code § 4-21.5-4-5(b), or until a Final Order is issued in this matter, whichever time period is shorter.

3-6-2020

Dated



Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

John Hancock Life Insurance Company
201 Townsend Street, Suite 900,
Lansing, MI 48933

Talcott Resolution Life and Annuity Insurance Company
1 Griffin Road N
Windsor, CT 06095

Integon National Insurance Company
5630 University Parkway
Winston-Salem, NC 27105

National Health Insurance Company
4455 LBJ Freeway, Suite 375
Dallas, TX 75244

Cc:

Time Insurance Company II
Attn.: Max Holmes, Chief Executive Officer
268 Avenida Ponce de Leon, Ste. 416,
Hato-Rey, San Juan, PR 00918

Victoria Hastings, Attorney
Indiana Department of Insurance
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204

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Respondents.)

Type of Agency Action: Enforcement)

FILED

MAR 06 2020

STATE OF INDIANA
DEPT. OF INSURANCE


MOTION TO EXTEND EMERGENCY CEASE AND DESIST ORDER

The Indiana Department of Insurance (“Department”) moves pursuant to Indiana Code § 4-21.5-4-5 for an Order extending the emergency cease and desist order against John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company, Integon National Insurance Company, and National Health Insurance Company (“Respondents”). As grounds for the extension, the Department states as follows:

1. On December 18, 2019, the Commissioner issued his Order Granting Emergency Cease and Desist Order ("Emergency Cease and Desist Order") against Respondents for ninety (90) days, pursuant to Indiana Code § 4-21.5-4-2(a)(1), which ordered Respondents, John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company, Integon National Insurance Company, and National Health Insurance Company, not to recapture any Indiana risks from Time Insurance Company II.
2. The Emergency Cease and Desist Order was issued due to concerns regarding Time Insurance Company II's solvency and its Risked Based Capital level.
3. Indiana Code § 4-21.5-4-5(b) states that during the pendency of any related proceedings under Indiana Code § 4-21.5-3, the agency responsible for the proceeding may renew the order for successive ninety (90) day periods.
4. It is in the best interest of the public that emergency cease and desist against Respondents continue until this matter can be resolved.

WHEREAS, the Department requests that the Emergency Cease and Desist Order be extended for an additional ninety (90) days, or until a Final Order is issued in this matter, whichever is shorter.

Respectfully submitted,


Victoria Hastings, Attorney #34052-29
Indiana Department of Insurance
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been sent by first class United States mail, proper postage prepaid, to the following the same day as filing.


John Hancock Life Insurance Company
201 Townsend Street, Suite 900,
Lansing, MI 48933

Talcott Resolution Life and Annuity Insurance Company
1 Griffin Road N
Windsor, CT 06095

Integon National Insurance Company
5630 University Parkway
Winston-Salem, NC 27105

National Health Insurance Company
4455 LBJ Freeway, Suite 375
Dallas, TX 75244

Cc:
Time Insurance Company II
Attn.: Max Holmes, Chief Executive Officer
268 Avenida Ponce de Leon, Ste. 416,
Hato-Rey, San Juan, PR 00918


Victoria Hastings, Attorney #34052-29
Indiana Department of Insurance
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204
(317) 234-2101

STATE OF INDIANA)
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COUNTY OF MARION)

BEFORE THE INDIANA
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4455 LBJ Freeway, Suite 375)
Dallas, TX 75244)
NAIC Number: 82538)

Respondents.)

Type of Agency Action: Enforcement -)

FILED

DEC 18 2019

STATE OF INDIANA
DEPT. OF INSURANCE

ORDER GRANTING
EMERGENCY CEASE AND DESIST ORDER

The Commissioner of the Indiana Department of Insurance (“Commissioner”), having reviewed the Enforcement Division’s Motion for Emergency Cease and Desist Order, and being otherwise duly advised, and now finds as follows:

FINDINGS OF FACT

1. The Department of Insurance (“Department”) is authorized to regulate the practice of insurers and producers in Indiana under Indiana Code § 27-1 *et seq.*
2. Respondent, John Hancock Life Insurance Company, is a licensed insurer in Indiana, using NAIC Company Code 65838, and John Hancock Life Insurance Company holds a Certificate of Authority in Indiana.
3. Respondent, Talcott Resolution Life and Annuity Insurance Company, is a licensed insurer in Indiana, using NAIC Company Code 71153, and Talcott Resolution Life and Annuity Insurance Company holds a Certificate of Authority in Indiana.
4. Respondent, Integon National Insurance Company, is a licensed insurer in Indiana, using NAIC Company Code 29742, and Integon National Insurance Company holds a Certificate of Authority in Indiana.
5. Respondent, National Health Insurance Company, is a licensed insurer in Indiana, using NAIC Company Code 82538, and National Health Insurance Company holds a Certificate of Authority in Indiana.
6. Respondents, John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company, Integon National Insurance Company, and National Health Insurance Company, collectively are Respondents (“Respondents”).
7. Time II, is a licensed insurer in Indiana, using NAIC Company Code 69477, and Time II holds a Certificate of Authority in Indiana.
8. On or about October 17, 2018, the Wisconsin Commissioner of Insurance issued a Final Decision (“Final Decision”) approving the request of Time Insurance Company, Haven Holdings Inc., and Haven Insurance Company II’s plan for acquisition of control, by Haven

Insurance Company II merging with and into Time Insurance Company, and re-domesticating Time Insurance Company to Puerto Rico.

9. Pursuant to the October 17, 2018, Final Decision, Haven Insurance Company II merged with Time Insurance Company in order to facilitate the domestication of Time Insurance Company to Puerto Rico.
10. Final Decision required that Time II “shall achieve and maintain a 300% risk-based capital under the National Association of Insurance Commissioner’s guidance in the preparation of such calculation.”
11. On or about December 1, 2018, Haven Holdings Inc., a Puerto Rico corporation and the parent company of Haven Insurance Company II, purchased all of the issued and outstanding voting stock of Time Insurance Company.
12. After the re-domestication to Puerto Rico, Time Insurance Company changed its name to Time Insurance Company II, and subsequently registered with Puerto Rico and organized as a domestic insurance company for profit in Puerto Rico.
13. Time II is an “international insurer” pursuant to Puerto Rico law, Title 26 Insurance Code, Chapter 43. 26 L.P.R.A. § 4301 et seq.
14. The Puerto Rico Department of Insurance has represented that the Insurance Code of Puerto Rico, Chapter 61, does not authorize Time II to write direct business in Puerto Rico, its domiciliary state.
15. Additionally, the Puerto Rico Department of Insurance has represented that under the Insurance Code of Puerto Rico, Time II is not required to maintain its Risk Based Capital (“RBC”) at or above a certain level, and not subject to any laws in Puerto Rico such as,

Indiana Code § 27-1-36 et seq., which requires Time II to calculate and report its RBC levels according to the RBC instructions.

16. The Department analyzes a company's RBC as a tool to assess the financial condition of an insurer and protect policyholders in Indiana.
17. Application of the National Association of Insurance Commissioners ("NAIC") Insurance Holding Company Act and Regulation, the adoption of the NAIC Annual Financial Reporting Model Regulation (#205), and participation in an insolvency or guaranty fund are requirements for NAIC accreditation.
18. The State of Indiana is an NAIC accredited state.
19. The Department reasonably believes that Time II's calculation of its RBC does not provide accurate and reliable information regarding its financial position and was not calculated in accordance with NAIC instructions.
20. The Department has reason to believe that Time II has failed to maintain a 300% RBC level as required by the October 17, 2018 Final Decision from the Wisconsin Office of the Commissioner of Insurance.
21. Wisconsin subsequently conducted an analysis and discovered that Time II's RBC for year-end 2018, using Time II's 2018 Annual Statement revealed that Time II's RBC as of December 31, 2018, was thirty-one percent (31%).
22. The Department reasonably believes that Time II is in hazardous financial condition and further has reason to believe that Time II, plans to imminently engage in a transaction with, including but not limited to, John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company, Integon National Insurance Company, and National

Health Insurance Company, that would adversely impact the company's Indiana policyholders, claimants, or the public.

23. Conclusions of Law that are properly stated as Findings of Fact are incorporated herein.

CONCLUSIONS OF LAW

1. Respondents, John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company, Integon National Insurance Company, and National Health Insurance Company, are subject to the jurisdiction and control of the Department in the State of Indiana.
2. Time II, including its predecessor-in-interest, Time Insurance Company, is subject to the jurisdiction and control of the Department in the State of Indiana.
3. The Commissioner finds that Time II's calculation of its RBC does not sufficiently provide reliable and accurate financial information and was not calculated in accordance with NAIC instructions.
4. Pursuant to Indiana Code § 27-1-1-1, which states in part, that the Department shall have charge of the organization, supervision, regulation, examination, rehabilitation, liquidation, and or conservation of all insurance companies to which this title is applicable, and shall have charge of the enforcement, administration, and execution of the provisions of this title and the provisions of any other statute applicable to insurance companies.
5. An emergency exists in that the Department reasonably believes that Time II is in hazardous financial condition and further has reason to believe that Time II, plans to imminently engage in a transaction with, including but not limited to, John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company, Integon

National Insurance Company, and National Health Insurance Company, that would adversely impact the company's Indiana policyholders, claimants, or the public.

6. The Department's belief is based on statements made by Time II to other state regulators. The proposed transaction would include Time II recapturing business Time Insurance Company has reinsured with, including but not limited to, John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company, Integon National Insurance Company, and National Health Insurance Company. Once a reinsurance agreement terminates, Time II would lose a significant source of funds to pay claims for its insureds, including Indiana insureds.
7. On December 13, 2019, the Department ordered Time II to immediately cease and desist from assuming new business affecting Indiana insureds, soliciting or accepting new applications for policies and coverage contracts. The Order further prohibited Time II from recapturing any Indiana risks from any reinsurer, including from Respondents.
8. In an emergency, the Commissioner may issue appropriate orders without notice or an evidentiary proceeding under Indiana Code § 4-21.5-4-2(a) and this Emergency Order is issued pursuant to that.
9. This Emergency Order also satisfies the requirements of Indiana Code § 4-21.5-4-2(b).
10. Conclusions of Law that are properly stated as Findings of Fact are incorporated herein.

ORDER


1. It is **ORDERED** that Respondents, John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company, Integon National Insurance Company,

and National Health Insurance Company, may not recapture any Indiana risks from Time Insurance Company II. This Order shall remain in effect as allowed by Indiana Code § 4-21.5-4-5(3).

Under Indiana Code § 4-21.5-4-3, this Emergency Order is effective when issued. Respondents have the right to request a hearing on this Emergency Order by filing a request for a hearing pursuant to Indiana Code § 4-21.5 *et seq.*, and if requested, an evidentiary hearing will be set on the matter as soon as practicable pursuant to Indiana Code § 4-21.5-4-4.

12-18-2019

Dated


Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution to:

Victoria Hastings, Attorney
Indiana Department of Insurance
311 West Washington St. #103
Indianapolis, IN 46204-2787

John Hancock Life Insurance Company
201 Townsend Street, Suite 900,
Lansing, MI 48933

Talcott Resolution Life and Annuity
Insurance Company
1 Griffin Road N
Windsor, CT 06095

Integon National Insurance Company
5630 University Parkway
Winston-Salem, NC 27105

National Health Insurance Company
4455 LBJ Freeway, Suite 375
Dallas, TX 75244

Cc:
Time Insurance Company II
Attn.: Max Holmes, Chief Executive Officer
268 Avenida Ponce de Leon, Ste. 416,
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Type of Agency Action: Enforcement)

FILED

DEC 18 2019

STATE OF INDIANA
DEPT. OF INSURANCE

MOTION FOR EMERGENCY CEASE AND DESIST ORDER

Comes now the Enforcement Division of the Indiana Department of Insurance (“Department”) and files its Motion for an Emergency Cease and Desist Order against John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company, Integon National Insurance Company, and National Health Insurance Company (collectively, “Respondents”) and states:

1. Respondent, John Hancock Life Insurance Company, is a licensed insurer in Indiana, using NAIC Company Code 65838, and John Hancock Life Insurance Company holds a Certificate of Authority in Indiana.
2. Respondent, Talcott Resolution Life and Annuity Insurance Company, is a licensed insurer in Indiana, using NAIC Company Code 71153, and Talcott Resolution Life and Annuity Insurance Company holds a Certificate of Authority in Indiana.
3. Respondent, Integon National Insurance Company, is a licensed insurer in Indiana, using NAIC Company Code 29742, and Integon National Insurance Company holds a Certificate of Authority in Indiana.
4. Respondent, National Health Insurance Company, is a licensed insurer in Indiana, using NAIC Company Code 82538, and National Health Insurance Company holds a Certificate of Authority in Indiana.
5. Time II, is a licensed insurer in Indiana, using NAIC Company Code 69477, and Time II holds a Certificate of Authority in Indiana.
6. On or about October 17, 2018, the Wisconsin Commissioner of Insurance issued a Final Decision (“Final Decision”) approving the request of Time Insurance Company, Haven Holdings Inc., and Haven Insurance Company II’s plan for acquisition of control, by Haven Insurance Company II merging with and into Time Insurance Company, and re-domesticating Time Insurance Company to Puerto Rico.
7. Pursuant to Final Decision, Haven Insurance Company II merged with Time Insurance Company in order to facilitate the re-domestication of Time Insurance Company to Puerto Rico.

8. Per the Final Decision, Time II “shall achieve and maintain a 300% risk-based capital under the National Association of Insurance Commissioner’s guidance in the preparation of such calculation.”
9. On or about December 1, 2018, Haven Holdings Inc., a Puerto Rico corporation and the parent company of Haven Insurance Company II, purchased all of the issued and outstanding voting stock of Time Insurance Company.
10. After the re-domestication to Puerto Rico, Time Insurance Company changed its name to Time Insurance Company II, and subsequently registered with Puerto Rico and organized as a domestic insurance company for profit in Puerto Rico.
11. Time II is an “international insurer” pursuant to Puerto Rico law, Title 26 Insurance Code, Chapter 43.
12. The Puerto Rico Department of Insurance has represented that the Insurance Code of Puerto Rico, Chapter 61 does not authorize Time II to write direct business in Puerto Rico, its domiciliary state.
13. Additionally, the Puerto Rico Department of Insurance has represented that under the Insurance Code of Puerto Rico, Time II is not required to maintain its Risk Based Capital (“RBC”) at or above a certain level, and not subject to any laws in Puerto Rico such as, Indiana Code § 27-1-36 *et seq.*, which requires Time II to calculate and report its RBC levels according to the RBC instructions. Analysis of a company’s RBC is one of the tools used by the Department to assess the financial condition of the insurer and protect policyholders of this state.
14. Application of the National Association of Insurance Commissioners (“NAIC”) Insurance Holding Company Act and Regulations, adoption of the NAIC Annual Financial Reporting

Model Regulation (#205), and participation in an insolvency or guaranty fund are requirements for NAIC accreditation.

15. The State of Indiana is an NAIC accredited state.
16. Wisconsin subsequently recalculated Time II's RBC for year-end 2018, using Time II's 2018 Annual Statement and discovered that Time II's RBC as of December 31, 2018, was thirty-one percent (31%).
17. Time II's calculation of its RBC differs from that of Wisconsin's, and the Department reasonably believes that Time II's calculation of its RBC does not provide accurate and reliable information regarding its financial position and was not calculated in accordance with NAIC instructions.
18. On July 15, 2019, the Wisconsin Office of the Commissioner of Insurance issued a Cease and Desist Order prohibiting Time II from writing any new business, renewing existing business, permitting other insurers from using Time II's certificate of authority, or assuming business affecting Wisconsin insureds. That Order also prohibited Time II from recapturing any Wisconsin risks from any reinsurer, which would include Respondents.
19. On July 26, 2019, the Wisconsin Office of the Commissioner of Insurance issued an amendment to the July 15, 2019 Order, allowing Time II to continue to service existing business and to renew existing policies.
20. On April 1, 2019, the Washington Office of the Insurance Commissioner issued an Order suspending Time II's certificate of authority based on Time II's year-end annual statement from December 31, 2018, which reported statutory capital and surplus below the required minimum capital and surplus.

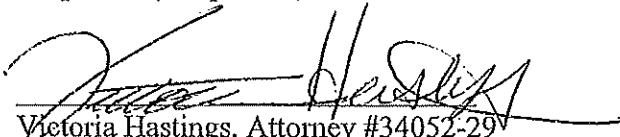
21. On September 16, 2019, the Washington Office of the Insurance Commissioner issued a Cease and Desist Order against Time II from soliciting or accepting new applications for policies and coverage contracts or the issuance of additional certificates of coverage under existing policies or coverage contracts. The Order prohibited other insurers from using Time II's certificate of authority. The Order further prohibited Time II from recapturing Washington risks from any reinsurer, including from Respondents.
22. On October 10, 2019, the Washington Office of the Insurance Commissioner issued an Order rescinding the Order suspending Time II's certificate of authority, based on subsequent evidence to show that Time II possessed more than the required minimum capital and surplus.
23. On August 22, 2019, the Rhode Island Department of Business Regulation Insurance Division issued an Emergency Cease and Desist and Administrative Suspension Order against Time II from recapturing Rhode Island risks from any reinsurer, including from Respondents. The Order suspended Time II's license as a foreign insurer.
24. On September 10, 2019, the Missouri Department of Commerce and Insurance issued a Cease and Desist Order against Time II barring writing new business, permitting others to use Time II's certificate of authority to write business, and recapturing any Missouri risks from any reinsurer, including from Respondents.
25. The Department reasonably believes that Time II's calculation of its RBC does not provide reliable financial information regarding its financial position and was not calculated in accordance with NAIC instructions that Time II has failed to maintain a 300% RBC level as required by the Final Decision.

26. Indiana Code § 27-1-1-1, states in part, that the Department shall have charge of the organization, supervision, regulation, examination, rehabilitation, liquidation, and or conservation of all insurance companies to which this title is applicable, and shall have charge of the enforcement, administration, and execution of the provisions of this title and the provisions of any other statute applicable to insurance companies.
27. Indiana Code § 4-21.5-4-1(1) allows an agency to conduct proceedings if an emergency exists.
28. An emergency exists in that the Department reasonably believes that Time II is in hazardous financial condition and further has reason to believe that Time II plans to imminently engage in a transaction with, including but not limited to, John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company (formerly known as Hartford Life and Annuity Insurance Company), Integon National Insurance Company, and National Health Insurance Company, that would adversely impact the company's Indiana policyholders, claimants, or the public.
29. The Department's belief is based on statements made by Time II to other state regulators. The proposed transaction would include Time II recapturing business Time Insurance Company has reinsured with, including but not limited to, John Hancock Life Insurance Company, Talcott Resolution Life and Annuity Insurance Company (formerly known as Hartford Life and Annuity Insurance Company), Integon National Insurance Company, and National Health Insurance Company. Once a reinsurance agreement terminates, Time II would lose a significant source of funds to pay claims for its insureds, including Indiana insureds.

30. On December 13, 2019, the Department ordered Time II to immediately cease and desist from assuming new business affecting Indiana insureds, soliciting or accepting new applications for policies and coverage contracts. The Order further prohibited Time II from recapturing any Indiana risks from any reinsurer, including from Respondents.

WHEREFORE, the Enforcement Division requests that the Commissioner issue an Emergency Cease and Desist Order against Respondents, under Indiana Code § 4-21.5-4-2(a)(1), and for all other necessary and proper relief.

Respectfully requested,


Victoria Hastings, Attorney #34052-29
Enforcement Division
Indiana Department of Insurance

Indiana Department of Insurance
Enforcement Division
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: (317) 232-5312
Facsimile: (317) 232-5251

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon Respondents at the address listed below by United States first class mail, the same day as filing.

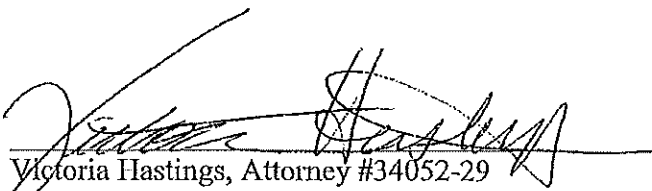
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