

In the Matter of the Acquisition of Control of
Superior Vision Insurance Plan of Wisconsin, Inc.

FINAL DECISION

by

Wink Holdco, Inc.; Wink Parent, Inc.;
Centerbridge Capital Partners III, L.P.;
Centerbridge Capital Partners SBS III, L.P.; and
CCP III Cayman GP Ltd.

Case No. 15-C41067

Petitioners.

FINAL DECISION

I adopt the Hearing Examiner's Proposed Decision, including the findings of fact and conclusions of law, which is attached to this Final Decision and which was served on the Petitioners with an opportunity for submitting written objections.

Based upon these findings of fact and conclusions of law, I order that:

(16) The Petitioners' request for approval of the plan for the acquisition of control is approved, subject to the following conditions subsequent:

- a) Form D Filings: The Domestic Insurer shall seek the nondisapproval of the Commissioner through the filing of a Form D Statement prior to entering into a transaction with any entity that owns, whether directly or indirectly, 10% or more of the company's voting securities, if the transaction is of the type, and meets the reporting thresholds, prescribed by s. 617.21, Wis. Stat. and s. Ins 40.04, Wis. Adm. Code.
- b) Holding Company Registration Statement – Forms B & C: The organizational chart of the annual Holding Company Registration Statement on Forms B and C that are filed on behalf of the Domestic Insurer, pursuant to s. Ins 40.03, Wis. Adm. Code, shall disclose the ultimate owners of Superior Vision Corp. and their respective ownership interests. The financial statement of the ultimate controlling person that is filed in conjunction with the annual Holding Company Registration Statement shall be that of Superior Vision Corp.
- c) Form A (Acquisition of Control)/Disclaimer of Control: Superior Vision Corp. and its owners will take all necessary steps to ensure that any person proposing to acquire directly or indirectly 10% or more of the Domestic Insurer's common stock shall be required to file a Form A – Acquisition of Control of a Domestic Insurer in accordance with s. Ins 40.02, Wis. Adm. Code; or alternatively, a disclaimer of control providing the rationale as to why the presumption of control set-forth in s. 600.03 (13), Wis. Stat. is rebutted.

(17) The Petitioners' proposed amendment to the Tax Sharing Agreement upon Closing (as discussed in paragraph 4 of the Proposed Findings of Fact) be non-disapproved, pursuant to s. 617.21, Wis. Stat. and s. Ins 40.04 (2), Wis. Adm. Code.

NOTICE OF APPEAL INFORMATION

(Notice of rights for rehearing and judicial review,
the times allowed for each, and the identification
of the party to be named as respondent)

The following notice is served on you as part of the Final Decision:

1. Rehearing.

Any person aggrieved by this Final Decision may petition for a rehearing within 20 days after the service of this Final Decision, as provided in s. 227.49, Wis. Stat. A petition for rehearing is not a prerequisite for appeal directly to circuit court through a petition for judicial review.

A petition for rehearing must be filed with the Commissioner at the address below.

2. Judicial Review.

Any person aggrieved by this Final Decision has a right to petition for judicial review of this Final Decision as provided in s. 227.53, Wis. Stat. The petition must be filed in circuit court within 30 days after service of this Final Decision if there has been no petition for rehearing, or within 30 days after service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition by operation of law of any petition for rehearing.

A petition for judicial review must be served on, and name as the Respondent:

Commissioner of Insurance, Respondent
Office of the Commissioner of Insurance
P. O. Box 7873
Madison, Wisconsin 53707-7873

A copy of the relevant statutory provisions is attached.

Dated at Madison, Wisconsin, this 28th day of February, 2016.



Theodore K. Nickel
Commissioner of Insurance

WISCONSIN STATUTES

At all times material, the relevant parts of s. 227.49, Wis. Stat., read as follows:

227.49 PETITIONS FOR REHEARING IN CONTESTED CASES

(1) A petition for rehearing shall not be a prerequisite for appeal or review. Any person aggrieved by a final order may, within 20 days after service of the order, file a written petition for rehearing which shall specify in detail the grounds for the relief sought and supporting authorities. An agency may order a rehearing on its own motion within 20 days after service of a final order. . . .

(2) The filing of a petition for rehearing shall not suspend or delay the effective date of the order, and the order shall take effect on the date fixed by the agency and shall continue in effect unless the petition is granted or until the order is superseded, modified, or set aside as provided by law.

(3) Rehearing will be granted only on the basis of:

(a) Some material error of law.

(b) Some material error of fact.

(c) The discovery of new evidence sufficiently strong to reverse or modify the order, and which could not have been previously discovered by due diligence.

(4) Copies of petitions for rehearing shall be served on all parties of record. Parties may file replies to the petition.

(5) The agency may order a rehearing or enter an order with reference to the petition without a hearing, and shall dispose of the petition within 30 days after it is filed. If the agency does not enter an order disposing of the petition within the 30-day period, the petition shall be deemed to have been denied as of the expiration of the 30-day period.

(6) Upon granting a rehearing, the agency shall set the matter for further proceedings as soon as practicable. . . .

At all times material, the relevant part of s. 227.52, Wis. Stat., read as follows:

227.52 JUDICIAL REVIEW; DECISIONS REVIEWABLE.

Administrative decisions which adversely affect the substantial interests of any person, whether by action or inaction, whether affirmative or negative in form, are subject to review as provided in this chapter. . . .

At all times material, the relevant parts of s. 227.53, Wis. Stat., read as follows:

227.53 PARTIES AND PROCEEDINGS FOR REVIEW. (1)

Except as otherwise specifically provided by law, any person aggrieved by a decision specified in s. 227.52 shall be entitled to judicial review thereof as provided in this chapter.

(a) 1. Proceedings for review shall be instituted by serving a petition therefor personally or by certified mail upon the agency or one of its officials, and filing the petition in the office of the clerk of the circuit court for the county where the judicial review proceedings are to be held. . . .

2. Unless a rehearing is requested under s. 227.49, petitions for review under this paragraph shall be served and filed within 30 days after the service of the decision of the agency upon all parties under s. 227.48. If a rehearing is requested under s. 227.49, any party desiring judicial review shall serve and file a petition for review within 30 days after service of the order finally disposing of the application for rehearing, or within 30 days after the final disposition by operation of law of any such application for rehearing. The 30-day period for serving and filing a petition under this paragraph commences on the day after personal service or mailing of the decision by the agency.

. . .

(b) The petition shall state the nature of the petitioner's interest, the facts showing that petitioner is a person aggrieved by the decision, and the grounds specified in s. 227.57 upon which petitioner contends that the decision should be reversed or modified. . . .

. . .

(c) A copy of the petition shall be served personally or by certified mail or, when service is timely admitted in writing, by first class mail, not later than 30 days after the institution of the proceeding, upon each party who appeared before the agency in the proceeding in which the decision sought to be reviewed was made or upon the party's attorney of record. . . .

(d) The agency . . . and all parties to the proceeding before it, shall have the right to participate in the proceedings for review. .

. . .

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PROPOSED DECISION

by

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Centerbridge Capital Partners SBS III, L.P., and
CCP III Cayman GP Ltd.

Case No. 15-C41067

Petitioners.

Rebecca L. Easland, Hearing Examiner, Presiding

HEARING APPEARANCES

For the Office of the
Commissioner of Insurance:

Present in person

Kristin Forsberg, Company Licensing Specialist
Richard Hinkel, Supervisor, Bureau of Financial Exams
125 South Webster Street
Madison, Wisconsin 53703

For the Petitioners:

Present in person

William J. Toman (External Legal Counsel)
Quarles & Brady LLP
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Present by telephone

Daniel R. Osnoss
Director, Treasurer and Secretary, Wink Parent, Inc.
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Allison J. Tam* (External Legal Counsel)
Willkie Farr & Gallagher LLP
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For the Wisconsin
Insurer and the Seller:

Present by telephone

Audrey Weinstein*
Senior Vice President & General Counsel, Superior Vision
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Boca Raton, Florida 33487

Julie L. Mahaney* (External Legal Counsel)
Locke Lord LLP
20 Church Street, Floor 20
Hartford, CT 06103

* These attorneys are appearing at the hearing with their clients, but are not representing them in the hearing.

PRELIMINARY

Pursuant to a Notice of Hearing dated February 11, 2016, a hearing was held at 1:05 p.m. on February 26, 2016, to determine whether the Petitioners' application for approval of the plan for acquisition of control should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

(1) Wink Holdco, Inc. and Wink Parent, Inc. are Delaware stock holding corporations; Centerbridge Capital Partners III, L.P., and Centerbridge Capital Partners SBS III, L.P. are Delaware limited partnerships; CCP III Cayman GP Ltd, located in the Cayman Islands, is a Cayman Islands exempted company (collectively, the "Petitioners").

(2) Superior Vision Insurance Plan of Wisconsin, Inc. (the "Domestic Insurer"), located in Madison, Wisconsin, is a Wisconsin domestic stock insurance company.

(3) The Petitioners filed with the Office of the Commissioner of Insurance (Commissioner) an application for approval of the acquisition of control of the Domestic Insurer (the "Plan").

(4) Following the Closing, the Petitioners intend to continue to keep in place all of the agreements between the Domestic Insurer and its affiliates, including the service and cost sharing agreements to which the Domestic Insurer is a party. With respect to the Tax Sharing Agreement, effective as of January 1, 2014, by and among Superior Vision Corp. and its affiliated group of corporations, including the Domestic Insurer, which was filed with OCI by the Domestic Insurer on February 12, 2015, and non-disapproved by OCI on April 24, 2015, the Applicants intend to keep the same tax sharing arrangement following the Closing; however, the Tax Sharing Agreement will need to be amended to add Wink Holdco, Inc. and Wink Parent, Inc. as parties to the Tax Sharing Agreement. The Petitioners have requested OCI's non-disapproval of the addition of Wink Parent, Inc. and Wink Holdco, Inc. to the Tax Sharing Agreement upon the Closing, pursuant to s. 617.21, Wis. Stat. and s. Ins 40.04 (2), Wis. Adm. Code.

(5) The Petitioners were served with a Notice of Hearing.

(6) The Petitioners fulfilled the filing requirements of s. Ins 40.02, Wis. Adm. Code.

(7) The plan will not violate the law or be contrary to the interest of the insureds of the Domestic Insurer or of the Wisconsin insureds of any participating nondomestic corporation.

(8) After the acquisition of control, the Domestic Insurer will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed.

(9) The effect of the acquisition of control will not be to create a monopoly or substantially to lessen competition in any type or line of insurance in Wisconsin.

(10) The financial condition of the Petitioners is not likely to jeopardize the financial stability of the Domestic Insurer or to prejudice the interests of its Wisconsin policyholders.

(11) There are no plans or proposals to make significant changes to the senior management or employees of the Domestic Insurer, to request an extraordinary dividend, to liquidate or sell its assets, to consolidate or merge the Domestic Insurer with any person, or to materially change the current operations of the Domestic Insurer. The Petitioners' plans, after

acquiring the voting shares, as described by the Petitioners, are fair and reasonable to the policyholders of the Domestic Insurer and in the public interest.

(12) The competence and integrity of the persons who will control the operation of the Domestic Insurer are such that it will be in the interest of the policyholders and the public to permit the acquisition of control.

PROPOSED CONCLUSION OF LAW

(13) The proposed findings of fact set forth above establish that the requirements of s. 611.72 and chs. 227 and 617, Wis. Stat., and ch. Ins 40, Wis. Adm. Code, have been satisfied and approval of the plan should be granted.

PROPOSED ORDER

NOW, THEREFORE, based upon the findings of fact and conclusion of law, I hereby recommend that:

(14) The Petitioners' request for approval of the plan for acquisition of control should be approved, subject to the following conditions subsequent:

- a) Form D Filings: The Domestic Insurer shall seek the nondisapproval of the Commissioner through the filing of a Form D Statement prior to entering into a transaction with any entity that owns, whether directly or indirectly, 10% or more of the company's voting securities, if the transaction is of the type, and meets the reporting thresholds, prescribed by s. 617.21, Wis. Stat. and s. Ins 40.04, Wis. Adm. Code.
- b) Holding Company Registration Statement (Forms B & C): The organizational chart of the annual Holding Company Registration Statement on Forms B and C that are filed on behalf of the Domestic Insurer, pursuant to s. Ins 40.03, Wis. Adm. Code, shall disclose the ultimate owners of Superior Vision Corp. and their respective ownership interests. The financial statement of the ultimate controlling person that is filed in conjunction with the annual Holding Company Registration Statement shall be those of Superior Vision Corp.
- c) Form A (Acquisition of Control)/Disclaimer of Control: Superior Vision Corp. and its owners will take all necessary steps to ensure that any person proposing to acquire directly or indirectly 10% or more of the Domestic Insurer's common stock shall be required to file a Form A – Acquisition of Control of a Domestic Insurer in accordance with s. Ins 40.02, Wis. Adm. Code; or alternatively, a disclaimer of control providing the rationale as to why the presumption of control set-forth in s. 600.03 (13), Wis. Stat. is rebutted.

(15) The Petitioners' proposed amendment to the Tax Sharing Agreement upon Closing (as discussed in paragraph 4 of the Proposed Findings of Fact) be non-disapproved, pursuant to s. 617.21, Wis. Stat. and s. Ins 40.04 (2), Wis. Adm. Code

Dated at Madison, Wisconsin, this 26th day of February, 2016.



Rebecca L. Easland
Hearing Examiner

