



1 A Beacon-A, LLC, Beacon Health Holdings LLC, Beacon Health Vista Parent, Inc., Beacon  
2 Health Vista Merger Sub, Inc., Ari Benacerraf, Michael Ranger, Andrew Rush, DCP IV GP-  
3 GP, LLC, DCP IV GP, L.P., Deal Leaders Fund, L.P., Diamond Castle Partners IV, L.P.,  
4 Diamond Castle Partners IV-A, L.P., DCP Vista Co-Investment Partners, L.P., DCP Vista Co-  
5 Investment GP, L.P., DCP 2014 GP-GP, LLC, Diamond Castle Partners 2014, L.P., DCP 2014  
6 Deal Leaders Fund, L.P., DCP 2014 GP, L.P. ("Petitioner") submitted an application for the  
7 acquisition of control of Value Health Reinsurance, Inc. and Wellington Life Insurance  
8 Company ("Insurers") to the Arizona Department of Insurance (the "Department") for approval  
9 of Petitioner as the controlling person of the Insurers pursuant to the provisions of A.R.S.  
10 §§20-481 through 20-481.30 and A.A.C. R20-6-1402.

11 Based upon reliable evidence provided to the Director of Insurance ("Director") by the  
12 Assistant Director of the Financial Affairs Division of the Department, the Director finds as  
13 follows:

14 **FINDINGS OF FACT**

- 15 1. The Insurers are domestic insurers as referred to in A.R.S. §20-481.
- 16 2. The Petitioner filed a statement as referred to in A.R.S. §§20-481.02 and 20-  
17 481.03, in the form required by A.A.C. R20-6-1402.
- 18 3. The Insurers and their security holders waived the ten (10) day advance filing  
19 notice to be given as required by A.R.S. §20-481.07.
- 20 4. No evidence has been produced that would indicate or form the basis for a  
21 finding that the Petitioner's acquisition of control of the Insurers:
  - 22 a. Is contrary to law;
  - 23 b. Is inequitable to the shareholders of any domestic insurers involved;

1 c. Would substantially reduce the security of and service to be rendered to the  
2 policyholders of the domestic insurer in this State or elsewhere;

3 d. After the change of control the domestic insurers, would not be able to satisfy the  
4 requirements for the reissuance of a Certificate of Authority to write the line or lines of  
5 insurance for which it is presently licensed;

6 e. Would have the effect of substantially lessening competition in insurance in this  
7 state, or tend to create a monopoly;

8 f. Might jeopardize the financial stability of the Insurers or prejudice the interest of  
9 its policyholders, based upon the financial condition of any acquiring party;

10 g. Is unfair and unreasonable to policyholders of the Insurers and is not in the  
11 public interest, based upon the plans or proposals that the acquiring party has to liquidate the  
12 insurers, sell its assets or consolidate or merge it with any person, or to make any other  
13 material change in its business or corporate structure or management;

14 h. Would not be in the public interest of policyholders of the Insurers and of the  
15 public to permit the merger or other acquisition of control based upon the competence,  
16 experience and integrity of those persons who would control the operation of the Insurers; or

17 i. Would likely be hazardous or prejudicial to the insurance-buying public.

18 5. The Petitioner furnished completed fingerprint cards to the Department to enable  
19 the Department to determine if Petitioner's officers or directors have been charged with or  
20 convicted of a felony or misdemeanor other than minor traffic violations. The results of the  
21 analysis of the fingerprint cards submitted by the Petitioner's officers and directors have not  
22 been received by the Department. The Petitioner's officers and directors made  
23 representations material to the issuance of the Order in this matter that none of its officers or

1 directors have been charged with or convicted of a felony or misdemeanor other than minor  
2 traffic violations.

3 **CONCLUSIONS OF LAW**

4 1. The application established that none of the enumerated grounds set forth in  
5 A.R.S. §20-481.07(A) exist so as to provide a basis for disapproval or rejection of Petitioner's  
6 acquisition of control of the Insurers.

7 2. Petitioner presented credible evidence for approval of its acquisition of control of  
8 the Insurers and the Petitioner to be a controlling person pursuant to the provisions of A.R.S.  
9 §§20-481 through 20-481.30 and A.A.C. R20-6-1402.

10 **ORDER**

11 THEREFORE, I, GERMAINE L. MARKS, Director of Insurance of the State of Arizona,  
12 for the purpose of protecting and preserving the public health, safety and welfare, and by  
13 virtue of the authority vested in me by A.R.S. §§20-142, 20-481 through 20-481.30, and A.A.C.  
14 R20-6-1402 hereby order that :

15 1. The acquisition of control of the Insurers by the Petitioner is approved, subject to  
16 the following express condition:

17 If the completed fingerprint cards furnished to the Department of Insurance reveal that  
18 Petitioner's officers or directors have been charged with or convicted of a felony or  
19 misdemeanor other than minor traffic violations, the individual(s) shall be removed as an  
20 officer and/or director of the Petitioner within 30 days after notice to Petitioner by the  
21 Department and shall be replaced with an officer or director acceptable to the Director. If  
22 Petitioner fails to take the prescribed action within 30 days, this failure will constitute an  
23

1 immediate danger to the public and the Director may immediately suspend or revoke Insurers'  
2 Certificate of Authority without further proceedings.

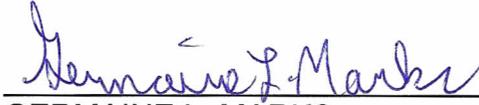
3           2.       Subject to A.R.S. §20-481.21, all documents, materials and other information  
4 that is in the possession or control of the Department and that was obtained by or disclosed to  
5 the Director or any other person in the course of filing the application is confidential and  
6 privileged, is not subject to Title 39, Chapter 1, Article 2 and is not subject to subpoena.

7           3.       The Petitioner shall advise the Director in writing of the effective date of the  
8 change of control.

9           4.       Upon consummation of this acquisition, the Insurers shall file its registration  
10 statement in the form required by A.A.C. R20-6-1403.B and within the time period prescribed  
11 by A.R.S §20-481.13. If the registration statement would duplicate the information previously  
12 submitted by the Petitioner in the statement filed with the Department pursuant to A.R.S. §20-  
13 481.03 and there have been no material changes since the filing of that statement, then the  
14 Insurer shall submit a statement to that effect incorporating by reference the statement  
15 previously filed with the Department in lieu of the registration statement;

16           5.       The failure to adhere to one or more of the above terms and conditions shall  
17 result without further proceedings in the suspension or revocation of the Insurers' Certificate of  
18 Authorities.

19           Effective this 1<sup>st</sup> day of October, 2014.

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21   
22 GERMAINE L. MARKS  
23 **Director of Insurance**

1 COPY of the foregoing mailed/delivered  
2 this 1st day of October, 2014, to:

3 J. Michael Low  
4 Low & Cohen, PLLC  
5 2999 North 44<sup>th</sup> Street, Suite 550  
6 Phoenix, Arizona 85018

7 Germaine L. Marks, Director of Insurance  
8 Mary Kosinski, Executive Assistant for Regulatory Affairs  
9 Maria Ailor, Assistant Director  
10 Kurt A. Regner, CFE, Assistant Director  
11 Catherine O'Neil, Consumer Legal Affairs Officer  
12 Stephen D. Clutter, Public Information Officer  
13 Arizona Department of Insurance  
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15 Phoenix, Arizona 85018

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