



FILED

Stuart Thompson  
Deputy General Counsel  
2014 MAY 13 AM 11:47  
Hearing Officer  
Hearings Unit  
PETERSEN  
CHIEF HEARING OFFICER

May 6, 2014

**VIA EMAIL AND FIRST-CLASS MAIL**

Ms. Kelly Cairns  
Office of Insurance Commissioner  
Hearings Unit  
P.O. Box 40255  
Olympia, WA 98504-0255

**Re: In the Matter of the Proposed Merger of  
VISION SERVICE PLAN (Washington), with and into  
MID-ATLANTIC VISION SERVICE PLAN, INC., a Virginia  
Not-for-Profit Optometric Services Corporation; Case No. 14-0064**

Dear Ms. Cairns:

Please find enclosed for filing on behalf of Mid-Atlantic Vision Service Plan, Inc., and Vision Service Plan (Washington), a Notice of Appearance, Applicants' Opening Statement, the Pre-Filed Testimony of Laura Olson, and Applicants' Closing Statement in the above-styled case.

By copy of this letter I have forwarded copies of same to all counsel of record. Thank you for your assistance in this matter.

Kind regards,

STUART THOMPSON  
Deputy General Counsel  
916.851.4922  
[stuath@vsp.com](mailto:stuath@vsp.com) or [stuart@vsp.com](mailto:stuart@vsp.com)

ST/st  
Enclosures

Cc: (via E-mail w/enclosures)  
Marcia G. Stickler, Staff Attorney, Legal Affairs Division  
Ronald J. Pastuch, Holding Company Manager, Company Supervision Div.  
Office of the Insurance Commissioner  
P.O. Box 40255  
Olympia, WA 98504-0255

**FILED**

**BEFORE THE STATE OF WASHINGTON**

**OFFICE OF INSURANCE COMMISSIONER**

2014 MAY 13 A 9:47  
*m*

**VISION SERVICE PLAN (WASHINGTON),  
A Washington Limited Healthcare Service  
Contractor,**

No.: 14-0064

010 HEARINGS UNIT  
PETER A. PETERSEN  
CHIEF PRESIDING OFFICER

**NOTICE OF APPEARANCE**

**With and into**

**MID-ATLANTIC VISION SERVICE  
PLAN, INC., a Virginia Not-for Profit  
Optometric Service Corporation**

**TO: OFFICE OF THE INSURANCE COMMISSIONER**

**AND TO: ALL PARTIES AND THEIR COUNSEL**

Stuart Thompson hereby enters this Notice of Appearance as counsel for Mid-Atlantic Vision Service Plan, Inc., and for Vision Service Plan (Washington), the parties to the proposed merger, and requests that all further notices, motions, papers and pleadings, except original process, be served upon the undersigned attorney at the address stated below:

Stuart Thompson  
3333 Quality Drive  
Rancho Cordova CA 95670  
Telephone: 916-851-4922  
Fax: 916-851-4851  
[stuath@vsp.com](mailto:stuath@vsp.com) or [stuart@vsp.com](mailto:stuart@vsp.com)

DATED: May 6, 2014

*Stuart Thompson*

Stuart Thompson, California State Bar #158476  
Attorney for Mid-Atlantic Vision Service Plan, Inc.,  
and for Vision Service Plan (Washington)

**CERTIFICATE OF SERVICE**

I, Stuart Thompson, do hereby certify that a copy of the foregoing was sent via email and U.S. Mail on this 6<sup>th</sup> day of May, 2014, to the following:

Marcia G. Stickler, Staff Attorney, Legal Affairs Division  
Office of the Insurance Commissioner  
P.O. Box 40255  
Olympia, WA 98504-0255  
MarciaS@oic.wa.gov

Kelly Cairns  
Hearings Unit  
Office of the Insurance Commissioner  
P.O. Box 40255  
Olympia, WA 98504-0255  
KellyC@oic.wa.gov

Ronald J. Pastuch, Holding Company Manager, Company Supervision Div.  
Office of the Insurance Commissioner  
P.O. Box 40255  
Olympia, WA 98504-0255  
RonP@oic.wa.gov



Stuart Thompson

BEFORE THE STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

FILED

2014 MAY 13<sup>6</sup> A 9:47  
me

VISION SERVICE PLAN (WASHINGTON),  
A Washington Limited Healthcare Service  
Contractor,

No.: 14-0064

With and into

PRE-FILED TESTIMONY OF LAURA  
OLSON IN SUPPORT OF APPLICATION  
FOR PROPOSED MERGER

MID-ATLANTIC VISION SERVICE  
PLAN, INC., a Virginia Not-for Profit  
Optometric Services Corporation

Introduction

1. Please state your name for the record:

**ANSWER: Laura Olson**

2. Can you state for the record your purpose for being here today?

**ANSWER: I am here today representing Vision Service Plan (Washington) and Mid-Atlantic Vision Service Plan, Inc., a Virginia Not-for-Profit Optometric Services Corporation as their statutory financial statement contact and Director of Finance Division for both companies.**

3. What companies filed the Form A Statement?

**ANSWER: Mid-Atlantic Vision Service Plan, Inc., a Virginia Not-for-Profit Optometric Services Corporation, and Vision Service Plan (Washington), with both of these two affiliated companies having the same administrative offices in Rancho Cordova, California.**

4. Please describe your professional background.

**ANSWER: I am a Certified Public Accountant, licensed in California since May 17, 1991, and I have more than twenty years of experience with health plan financial regulatory matters.**

5. How long have you been employed by your current employer?

**ANSWER: More than 14 years.**

6. Please describe your employment history.

**ANSWER: I have more than twenty years of experience with health plan financial regulatory matters, including prior experience as a California state health plan regulatory official and current experience managing financial regulatory compliance for the Vision Service Plan group of companies.**

7. What is the basis for your information and knowledge about the Proposed Merger that is described in the Form A Statement?

**ANSWER: As statutory financial statement contact and Director of Finance Division for both Vision Service Plan (Washington) and Mid-Atlantic Vision Service Plan, Inc., a Virginia Not-for-Profit Optometric Services Corporation, I am very familiar with the operation of both companies and their respective financial conditions.**

8. As part of this involvement, have you reviewed the Form A Statement and the supplemental information and materials provided to the Washington State Office of the Insurance Commissioner relating to the Proposed Merger, as already admitted into evidence as exhibits to this hearing?

**ANSWER: Yes, I am familiar with the information filed with the Office of the Insurance Commissioner.**

**Vision Service Plan (Washington) and Mid-Atlantic Vision Service Plan, Inc.**

9. Please briefly describe the two companies involved in this proposed merger.

**ANSWER: Vision Service Plan is a Washington-domiciled limited health care service contractor and Mid-Atlantic Vision Service Plan, Inc., is a Virginia-domiciled corporation that is also licensed in Washington as a limited health care service contractor.**

**Statutory Issues**

10. If the proposed merger of Vision Service Plan into Mid-Atlantic Vision Service Plan, Inc., is approved and carried out, will the merged company be able to satisfy the

requirements for registration as a limited health care service contractor as required by law?

**ANSWER: Yes.**

11. As the designated statutory contact person for both companies or in any other manner, are you aware of any reason why the antitrust section of the office of the attorney general or the Commissioner of Insurance should find there is substantial evidence the effect of the proposed merger would be to substantially lessen competition or tend to create a monopoly in the health coverage business?

**ANSWER: No.**

12. As the designated statutory contact person for Mid-Atlantic Vision Service Plan, Inc., is its financial condition such as might jeopardize its post-merger financial stability or prejudice the interest of its subscribers?

**ANSWER: No.**

13. Would the plans or proposals involved in this proposed merger be unfair or unreasonable to subscribers of the health carrier or not in the public interest?

**ANSWER: No.**

14. Is the competence, experience, and integrity of those persons who would control the operation of the post-merger entity such that it would not be in the interest of subscribers of the health carrier and of the public to permit the merger or other acquisition of control?

**ANSWER: No.**

15. Would the proposed merger be likely to be hazardous or prejudicial to the insurance-buying public?

**ANSWER: No.**

16. Are you respectfully requesting the Hearings Officer to approve this application?

ANSWER: Yes.

*The above testimony is true, correct and complete to the best of my knowledge and given subject to the laws of perjury of the state of Washington.*

A handwritten signature in cursive script that reads "Laura Olson". The signature is written in black ink and is positioned above a horizontal line.

Name: Laura Olson  
Director, Finance for Mid-Atlantic Vision  
Service Plan, Inc., and Vision Service Plan (Washington)

Date: May 6, 2014

**CERTIFICATE OF SERVICE**

I, Stuart Thompson, do hereby certify that a copy of the foregoing was sent via email and U.S. Mail on this 6<sup>th</sup> day of May, 2014, to the following:

Marcia G. Stickler, Staff Attorney, Legal Affairs Division  
Office of the Insurance Commissioner  
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Olympia, WA 98504-0255  
MarciaS@oic.wa.gov

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Stuart Thompson  
Stuart Thompson

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BEFORE THE STATE OF WASHINGTON  
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2014 MAY 13 A 9:47

VISION SERVICE PLAN (WASHINGTON),  
A Washington Limited Healthcare Service  
Contractor,

No.: 14-0064

HEARINGS UNIT  
P. J. A. JOHNSON  
CLERK OF THE COMMISSIONER  
APPLICANTS' OPENING STATEMENT

With and into

MID-ATLANTIC VISION SERVICE  
PLAN, INC., a Virginia Not-for Profit  
Optometric Service Corporation

**I. INTRODUCTION**

Your Honor, my name is Stuart Thompson. I am a California-licensed attorney and I appear this morning on behalf of Applicants Mid-Atlantic Vision Service Plan, Inc., and Vision Service Plan (Washington).

**II. EVIDENCE**

This is a hearing to consider the Form A application that was submitted to the Office of the Insurance Commissioner on November 27, 2013, requesting approval of the proposed merger of Vision Service Plan (Washington) with and into Mid-Atlantic Vision Service Plan, Inc., a Virginia optometric services corporation.

The Form A filed with the Office of the Insurance Commissioner, together with supplemental information provided to the Commissioner, included all information required by applicable statute and regulation. The Form A identified the parties and fully described the proposed transaction. The Office of the Insurance Commissioner carefully reviewed the Form A and determined that it is a complete filings within the meaning of RCW 48.31B.015 and all other legal requirements.

**III. RELIEF REQUESTED**

The standards for the review of this application are contained in RCW 48.31B.015(4). Mid-Atlantic Vision Service Plan, Inc., and Vision Service Plan (Washington) have

submitted the Pre-Filed Testimony of Laura Olson, Director of Finance Division for both companies, to address those standards, the transaction and the additional information provided in the Form A and supplemental information.

Ms. Olson's testimony specifically addresses each of the six standards contained in RCW 48.31B.015(4). In short, this testimony establishes that the proposed transaction does not violate any of the six standards for review.

We anticipate that the OIC will attest to the completeness of the Form A and the supplemental responses and potentially to the absence of any statutory or other basis for disapproval.

#### IV. CONCLUSION

We believe the testimony and documentary evidence will demonstrate, without exception, that the evidence does not support a determination violates any of the six statutory standards for review contained in RCW 48.31B.015(4), and that the proposed merger should be approved.

DATED: May 6, 2014

Attorney for Applicants



Stuart Thompson, California State Bar #158476

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No.: 14-0064

HEARINGS UNIT  
APPLICANTS' CLOSING STATEMENT

As the testimony and documentary evidence introduced at the hearing demonstrates, the Applicants, Mid-Atlantic Vision Service Plan, Inc., and Vision Service Plan (Washington) have met all due requirements of Chapter 48.31B, Revised Code of Washington. Applicants submitted a detailed and verified Form A application to the Washington State Office of the Insurance Commissioner. Mr. Pastuch, of the Company Supervision Division of the Office of Insurance Commissioner communicated that Applicants' Form A, together with its exhibits and the supplemental information provided, is complete, and the OIC requested a hearing to be scheduled to consider the Form A application.

The Hearings Officer conducted the hearing, taking testimony and accepting evidence in support of the Form A application. RCW 48.31B.015(4)(a) provides that the "commissioner shall approve a merger or other acquisition of control...unless, after a public hearing thereon, he or she finds" that any of the six identified bases for disapproval set forth in that statute exists.

Thus, evidence offered in this hearing establishes that none of the statutory bases for disapproval exist.

On behalf of Applicants, we respectfully request that the Hearing Officer approve the acquisition on behalf of the Office of the Insurance Commissioner so that Applicants can effectuate the merger on or after October 1, 2014.

DATED: May 6, 2014

Attorney for Applicants

Stuart Thompson

Stuart Thompson, California State Bar #158476

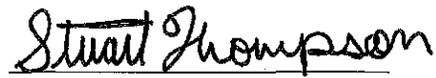
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