

**FORM A
STATEMENT REGARDING THE
ACQUISITION OF CONTROL OF OR MERGER WITH A DOMESTIC
INSURER**

VISTA LIFE INSURANCE COMPANY

Name of Domestic Insurer

BY

SYMPHONIX HEALTH HOLDINGS, LLC

Name of Acquiring Person (Applicant)

Filed with the Commissioner, Office of Financial and Insurance Regulation, State of
Michigan

Dated: February 7, 2013

Name, Title, Address and Telephone Number of Individual to Whom Notices and
Correspondence Concerning this Statement should be Addressed:

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With copies to

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This Statement is submitted for the purpose of obtaining the Commissioner of the Office of Financial and Insurance Regulation's approval pursuant applicable provisions of the Michigan Insurance Code of 1956, as amended, and specifically Chapter 13 Holding Companies.

ITEM 1. METHOD OF ACQUISITION

State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.

This Statement relates to the proposed acquisition of control of Vista Life Insurance Company (“Vista”), a Michigan stock insurance company which is currently licensed to provide life and disability insurance. Vista maintains its administrative offices at One American Road MD 7600, Dearborn, MI 48126 and is a wholly owned subsidiary of The American Road Insurance Company (“TARIC”), a Michigan stock insurance company and indirect subsidiary of Ford Motor Company.

The party seeking to acquire ultimate control of Vista is Symphonix Health Holdings, LLC (“Applicant”), a Delaware limited liability company. Applicant intends to acquire ultimate control through the purchase of all issued and outstanding shares of Vista’s capital stock (the “Transaction”). The terms and conditions governing the Transaction are set forth in the Stock Purchase Agreement by and among Vista, Applicant and TARIC. A copy of a final Stock Purchase Agreement is attached hereto as Exhibit A.

Under the Stock Purchase Agreement, on the closing date, Applicant will acquire all of the issued and outstanding shares of capital stock of Vista from TARIC.

The closing of the Transaction is subject to closing conditions that are customary for acquisitions of this nature, including, but not limited to, conditions relating to the receipt of regulatory approvals, accuracy at the closing date of representations and warranties made in the Stock Purchase Agreement, compliance with pre-closing covenants and delivery of closing documentation.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

- (a) State the name and address of the applicant seeking to acquire control over the insurer.

**Symphonix Health Holdings, LLC
2711 Centerville Rd. Ste. 400
Wilmington, DE 19808**

- (b) If the applicant is not an individual, state the nature of its business operations for the past 5 years or for such lesser period as such person and any predecessors

thereof shall have been in existence. Describe the business intended to be done by the applicant and the applicant's subsidiaries.

Applicant was formed as a Delaware limited liability company on November 13, 2012. Applicant was formed upon capital contributions from 312 Health Ventures Investors, LLC, a Delaware limited liability company, ("312 Ventures") and UnitedHealth Group Ventures, LLC, a Delaware limited liability company ("United Ventures").

United Ventures is a controlled affiliate of UnitedHealth Group Incorporated, a diversified health and well-being company ("UHG"). UHG is a publicly-traded company whose stock is traded on the New York Stock Exchange under the trading symbol "UNH." A detailed description of UHG and its operations together with audited consolidated financial statements of UHG are contained in UHG's Annual Reports on Form 10-K filed with the U.S. Securities and Exchange Commission. UHG is focused on helping people live healthier lives and helping make health care work better. Through its efforts, UHG serves approximately 75 million people worldwide through its operating subsidiaries which include insurance companies (several of which are licensed in Michigan), health maintenance organizations (including Michigan domiciled UnitedHealthcare Community Plan, Inc., formerly known as UnitedHealthcare of the Great Lakes Health Plan, Inc.), third party administrators and utilization review agents. Applicant will operate completely independent from UHG.

312 Ventures was formed on capital contributions from Mr. Arthur Carlos (28.6%), Dr. Eric Whitaker (14.3%) and GCF 312 Health Ventures, LLC ("GCF 312"). GCF 312 is a controlled affiliate of Granite Creek FlexCap I, LP. Granite Creek FlexCap I, LP is licensed under the Small Business Investment Act of 1958 as a Small Business Investment Company. As a Small Business Investment Company, Granite Creek FlexCap I, LP is subject to regulations and oversight from the United States Small Business Administration. As of December 31, 2011, Granite Creek FlexCap I, LP has invested in twelve (12) different companies with an aggregate fair market value exceeding \$64,000,000.

Upon approval, Applicant intends to establish a Medicare Part D qualified prescription drug plan ("PDP"). A PDP is a stand-alone drug only insurance benefit plan.

- (c) Furnish a chart or listing clearly presenting the identities of the interrelationships among the applicant and all affiliates of the applicant, including the ultimate controlling person(s). No affiliate need be identified if its total assets are equal to less than ½ of 1% of the total assets of the ultimate controlling person affiliated with the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by

any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g. corporation, trust, partnership), primary business (e.g. holding company, insurance agency, manufacturer) and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.

See Exhibit B for Applicant's Corporate Organization Chart and Descriptive Listing of Subsidiaries and Affiliates. There are no court proceedings involving a reorganization or liquidation pending with respect to the Applicant or any of its affiliated entities.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

State the following with respect to 1) the applicant if she or he is an individual 2) if the applicant is not an individual, all persons who are, or who have been selected to be, directors, executive officers (or others who perform or will perform functions appropriate to those positions), or owners of 10% or more of the voting securities of the applicant, and, 3) in all instances where individuals will be the direct or indirect source of funding for the acquisition:

- (a) Name and business address;
- (b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;
- (c) All occupations, positions, offices or employment during the last 5 years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith.
- (d) Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last 10 years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case. Whether or not such person has had any civil

judgments against the person resulting in \$25,000 or more in civil fines or penalties or injunctive or other equitable relief.

- (e) Upon the request of the Commissioner, individuals shall provide fingerprint cards pursuant to Section 249a for state, multi-state, and federal criminal history record checks.

The Applicant is a limited liability company, and the list of the Applicant's directors and officers is attached hereto as Exhibit C. Exhibit C also includes the individuals who are the direct or indirect source of funding for the Applicant.

NAIC Biographical Affidavits and fingerprint cards for each person identified in Exhibit C are appended to Exhibit C.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

- (a) Describe the nature, source and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. Describe any transaction where funds were or are to be obtained for such purpose, including any pledge of the insurer's stock or pledge of the stock of any of its subsidiaries or controlling affiliates. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements relating thereto.

Pursuant to the Stock Purchase Agreement, a copy of which is being attached hereto as Exhibit A, Applicant will acquire all of the authorized capital stock of Vista in exchange for the Purchase Price. As more fully described in the Stock Purchase Agreement, the Purchase Price is a cash amount, subject to adjustment based upon Vista's Statutory Capital, as that term is defined in the Stock Purchase Agreement and any license impediments. The total purchase consideration will be paid by wire transfer of immediately available funds at the closing of the Stock Purchase Agreement, subject to post-closing adjustments.

Financing for Applicant to acquire the stock of Vista will be provided through a term loan by United HealthCare Services, Inc., a controlled affiliate of UHG. The Applicant has entered into a Credit Agreement which sets forth the terms and conditions of the term loan. A copy of the Credit Agreement is attached as Exhibit D. To secure its obligations under the Credit Agreement, Applicant will pledge the stock of Vista.

The Pledge and Security Agreement will be executed upon closing. A copy of the Pledge and Security Agreement is attached as Exhibit E.

- (b) Explain the criteria used in determining the nature and amount of such consideration.

The basis and terms of the Stock Purchase Agreement were arrived at as a result of arms'-length negotiations between the parties and their respective advisors. Additionally, Applicant performed a comprehensive due diligence investigation and reviewed, among other things, the financial statements, material contracts, operations and legal documents of Vista.

- (c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity of the lender to remain confidential, the applicant must specifically request that the identity be kept confidential.

Not applicable.

ITEM 5. FUTURE PLANS FOR INSURER

- (a) Describe any plans or proposals which the applicant may have for the insurer to declare a dividend, (whether or not extraordinary), to liquidate the insurer, to sell its assets, to merge it with any person or persons, or to make any other material change in its business operations or corporate structure or management.

Vista intends to declare an extraordinary dividend prior to the closing of the transaction. Vista will furnish the Office of Financial and Insurance Regulation notice and supporting information with respect to the proposed extraordinary dividend. The extraordinary dividend is intended to be in an amount that will reduce the statutory capital and surplus of Vista to \$8.0 million. At year-end 2011, the statutory capital and surplus of Vista was \$39.96 million.

Applicant has no other current plan or proposal to cause Vista to make other distributions, to liquidate Vista, to sell any of its assets, to merge or consolidate Vista with any person.

Effective December 1, 2002, Vista discontinued assuming new credit life and credit disability insurance due to a reduced demand for credit insurance and declining profitability. As of year-end 2009, all credit life and credit disability policies assumed by Vista were fully earned. With respect to business other than credit life and credit disability, Vista is currently in a run-off period for claims on assumed policies that are

reinsured to Vista. The risk with respect to such policies has, in turn, been retroceded by Vista to Union Fidelity Life Insurance Company, an accredited reinsurer.

After closing, Vista will continue to be in a run-off period for claims on existing policies that are reinsured by Vista. Applicant will continue to retrocede any risks with respect to existing policies until such policies are fully earned. The retrocession will continue with Union Fidelity or another accredited reinsurer.

As stated in Item 2(b), Applicant intends to administer and issue PDPs. As a Medicare Part D PDP, Applicant will be subject to a complex set of federal regulations and other guidance. The regulations closely parallel and occasionally cross-reference the Medicare Advantage regulations (Medicare Part C).

- (b) Provide a 5 year business plan which describes the types of business to be written by the insurer, marketing plan, projected direct, assumed, ceded, and net written premiums by line, pro-forma statutory balance sheets and income statements. Also, describe proposed changes to the insurer's reinsurance program (if any), amount, timing, and type of capital contributions (if any), proposed changes to the insurer's executive officers and directors, and compliance plan with the "books and records in Michigan" requirement of Section 5256.

As stated above, Applicant plans on utilizing the licenses owned by Vista to issue Medicare Part D PDPs. Accordingly, Applicant is required to obtain approval from the CMS. If and when Applicant obtains the required state and federal regulatory approval, Applicant intends on entering the market in 2014.

Additionally, Applicant intends on honoring Vista's obligations under Vista's current contracts, including, but not limited to, reinsurance contracts and maintaining reinsurance coverage for any assumed liability. Applicant does not intend to market or sell credit life and credit disability insurance.

Upon closing of the Stock Purchase Agreement, Applicant intends to vote the acquired shares of Vista to replace Vista's current officers and directors.

At present, the books and records of Vista are maintained in Vista's principal place of business in accordance with MCL § 500.5256. It is applicant's intent to continue to maintain such books and records in accordance with MCL § 500.5256 within the State of Michigan. Applicant shall ensure that all financial records, funds and assets shall

not be commingled with any affiliates, and assets shall be held separate from all other entities.

Additional projections relating to direct, assumed ceded, and net written premiums by line, pro-forma statutory balance sheets and income statements are attached hereto as Exhibit F and are incorporated herein by reference.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.

At the closing of the Stock Purchase Agreement, Applicant shall acquire 200,000 shares of common stock, all of which are the issued and outstanding stock of Vista. Accordingly, Applicant will acquire control of Vista through the acquisition of all the shares of common stock.

The criteria used to determine the consideration and the method used to determine the fairness of the Stock Purchase Agreement are set out in Item 4 above.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.

TARIC currently beneficially owns 100% of the outstanding voting securities of Vista. Except for the rights of Applicant to acquire the common stock of Vista as provided in the Stock Purchase Agreement and except as provided below with respect to the Pledge and Security Agreement, neither Applicant nor any of its affiliates nor any person listed in Item 3 beneficially owns or has any right to acquire beneficial ownership of any voting securities of Vista at this time. In the event Applicant is in material default under the Credit Agreement and such default is not cured, United HealthCare Services, Inc., as lender, may acquire the stock of Vista by exercising its rights under the Pledge and Security Agreement.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom the contracts, arrangements or understanding have been entered into.

Except for the rights of Applicant to acquire the common stock of Vista as provided in the Stock Purchase Agreement and except as provided below with respect to Applicant's Limited Liability Company Agreement, neither Applicant nor any of its affiliates nor any person listed in Item 3 has any contracts, arrangements or understandings with respect to any voting security of Vista at this time. As a limited liability company, Applicant is governed by a Limited Liability Company Agreement. The Limited Liability Company Agreement specifies the voting rights of each member with respect to Applicant. A copy of the Limited Liability Company Agreement is attached hereto as Exhibit G.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement. Include in the description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any shares so purchased are hypothecated.

There have been no prior purchases of the voting securities of Vista by the Applicant, its affiliates or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this Statement.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement.

There have been no recommendations made by the Applicant, its affiliates or any person listed in Item 3 to purchase any voting security of Vista during the twelve (12) calendar months preceding the filing of this Statement.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

There are no agreements, arrangements, or understandings made by Applicant or any of its affiliates with any broker-dealer as to the solicitation of Vista's voting securities.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements and exhibits shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.

Exhibit A: Stock Purchase Agreement By and Among The American Road Insurance Company, Vista Life Insurance Company and Symphonix Health Holdings, LLC.

Exhibit B: Corporate Organization Chart and Descriptive Listing of Subsidiaries and Affiliates.

Exhibit C: Listing of Applicant's executive officers and directors and the individuals who are the direct or indirect source of funding for the Applicant. Appended to Exhibit C are the NAIC Biographical Affidavits and fingerprint cards for the foregoing individuals.

Exhibit D: Credit Agreement By and Between Symphonix Health Holdings, LLC and United HealthCare Services, Inc.

Exhibit E: Pledge and Security Agreement.

Exhibit F: Five Year Pro-Forma Projections.

Exhibit G: Applicant's Limited Liability Company Agreement.

Exhibit H: UHG's Form 10-K for the years ended December 31, 2007, 2008, 2009, 2010, and 2011 are attached hereto as Exhibits H-1 to H-5. Audited Financial Statements for Granite Creek FlexCap I, L.P. for the years ended December 31, 2011, 2010, 2009 and 2008 are attached hereto as Exhibits H-6 to H-9. Financial Statements for Applicant are included as part of Exhibit F. Audited Financial Statements for Vista Life Insurance Company for the year ended December 31, 2011 is attached hereto as Exhibit H-7.

- (b) The financial statements shall include the audited annual financial statements of the persons (both corporate and individual) identified in Item 2(c), including

individuals who are applying to be the ultimate controlling persons, for the preceding 5 fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year as of a date not earlier than 90 days prior to the filing of the statement. The statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business. The consolidated financial statements shall include the consolidating work sheets.

The annual financial statements of the applicant corporate entity shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial positions of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of the person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the state.

See Applicant's response to Item 12(a).

- (c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory, managing general agent, controlling producer, or management contracts concerning the insurer, annual reports and proxy statements to the stockholders of the insurer and the applicant for the last two fiscal years, and any additional documents or papers required Form A forms and instructions Section 4 and 6.

None.

ITEM 13. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of Section 1311 of the Insurance Code of 1956, as amended, Symphonix Health Holdings, LLC, has caused this application to be duly signed on its behalf in the City of GOLF and State of ILLINOIS on the 5TH day of FEBRUARY, 2013.

SYMPHONIX HEALTH HOLDINGS, LLC

Name of Applicant


BY: 
Arthur Carlos, CEO/President

Attest:

Mark Radzik, Director

CERTIFICATION

The undersigned deposes and says that she or he has duly executed the attached application dated February, 2013, for and on behalf of Symphonix Health Holdings, LLC, that he is the CEO/President of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his or her knowledge, information and belief.

BY: 
Arthur Carlos, CEO/President