

Buyers see a future for Superior Vision

The latest deal is expected to propel growth for insurance company

Dec 4, 2015 / Sacramento Business Journal

A home-grown eye-care insurance company with a big operations center in Rancho Cordova is being bought — again — by a large investment firm with deep pockets.

The latest deal, like the ones before it, is expected to propel further growth for Superior Vision Corp

Last week, Centerbridge Partners, a New York City investment firm, announced it has signed an agreement to buy the company. The deal is expected to close by the end of the first quarter of 2016.

Superior Vision is no stranger to private equity. Steady growth and successive shots of investment capital helped the company get to where it is today — one of the five top vision-plan companies in the nation. It has more than 111 million members across all 50 states.



Superior Vision offers a flexible vision insurance plan with access to a variety of providers. It provides services in a medical office setting, a high-end retail shop like LensCrafters or at Walmart.

In contrast, VSP Global, a competitor in the top five that's also in Rancho Cordova, offers services through member optometrists and in-house vendors.

The buyer is a private investment firm with about \$25 billion in capital under management. It focuses on private equity and credit investments to help companies achieve their operating and financial objectives.

"We look forward to supporting the company and its management team through its next phase of growth and development," said Dan Osness, managing director at Centerbridge, in a news release. "Superior Vision is well positioned for continued expansion in both the commercial group and government pay markets."

The investment firm's expertise in health care and financial services will help Superior Vision "continue to create long-term sustainable value," Superior Vision CEO Kirk Rothrock said in a statement. He was unavailable for further comment. The company has more than 80 employees in Rancho Cordova and a management team spread across several locations. The company name is not expected to change.

Superior Vision was founded in 1993 by Dr. Charles Fritch, an ophthalmologist involved in several big eye-care companies. He invested his own money and brought in investors and partners. They were bought out in a \$54 million financing deal in 2007. A big chunk of that — \$19.25 million — came from DCA Capital Partners in Roseville and ABS Capital Partners in Baltimore.

"We loved the business, we loved the opportunity, and we loved the management team, so we pulled together a group to invest with us," Curt Rocca, one of the DCA partners, said at the time.

Superior Vision generated \$500,000 in sales in 1996. That figure hit \$138 million in 2011, the last figure available.

In 2012, a middle-market private equity firm in Rhode Island called Nautic Partners LLC bought out DCA and ABS to become a majority owner of the company. Rothrock, who had run a company for Nautic in the past, helped land a merger with Maryland-based Block Vision in 2013 that propelled Superior Vision onto the national stage. He later took over as CEO.

“Centerbridge obviously thinks there's a significant upside potential with the company and plans to take it forward,” Rocca said.

The \$54 million investment in 2007 provided “a very attractive outcome” to everyone involved,” he added.

TIMELINE

1993: Superior Vision founded with private and investment backing

2007: The company lands \$54 million in new financing to buy out initial investors and propel growth. Roseville's DCA Capital Partners and two other venture-capital firms invest.

2012: Nautic Partners LLC buys out former investors to become a majority owner

2013: Superior Vision merges with Maryland-based Block Vision to become one of the top five eye-care companies in the nation

2015: New York investment firm Centerbridge Partners signs an agreement to acquire Superior Vision.