

Hospitals Insurance Company and FOJP Service Corporation Announce Sale to The Doctors Company

Deal Value: Approximately \$650 million

Sandler O'Neill served as the exclusive financial advisor to Hospitals Insurance Company and FOJP Service Corporation in connection with this transaction.

Since January 1, 2012, Sandler O'Neill has advised on 49 insurance transactions, more than any other full-service investment bank during that time period.¹

NEW YORK – Hospitals Insurance Company (“HIC”) and FOJP Service Corporation (“FOJP”) -- together with Mount Sinai Health System (Mount Sinai), Montefiore Health System (Montefiore), and Maimonides Medical Center (Maimonides) -- today announced their agreement to sell HIC and FOJP to The Doctors Company, the largest physician-owned medical malpractice insurer in the country, for \$650 million, subject to closing adjustments. The transaction is subject to regulatory approvals and is expected to close in 2019.

During the New York medical malpractice insurance crisis in the 1970s and 1980s, Beth Israel, Montefiore, Mount Sinai and Maimonides hospitals formed HIC and FOJP, which have provided the hospitals and related physicians with medical malpractice insurance for 40 years. By unlocking their investment in HIC, these hospital systems will benefit from a significant cash infusion that will enable them to continue providing quality care to millions of New Yorkers.

The Doctors Company serves 80,000 members across the country. The company has an “A” (Excellent) financial strength rating from A.M. Best and has been recognized and endorsed by the nation’s most prestigious medical organizations – including the New York County Medical Society and the New York State Society of Plastic Surgeons – for its commitment to members and advocacy on behalf of physicians.

The Doctor’s Company shares HIC and FOJP’s mission of protecting hospitals’ and physicians’ ability to provide the best possible care to patients, making them natural partners. The purchase aligns with state policymakers’ goal of expanding competition among medical malpractice insurers in the state, while remaining under the full authority of the Department of Financial Services.



(1) Includes transactions for U.S. based deals and financial advisors with average disclosed transaction size of \$50 million or greater.
Sources: S&P Global Market Intelligence, Company press release.

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