

Owner-Insured Hospitals of Mountain States Healthcare RRRG Announces Partnership with Constellation**Deal Value: Undisclosed**

Sandler O'Neill served as exclusive financial advisor to Mountain States Healthcare RRRG in connection with this transaction.

Sandler O'Neill has advised on 35 insurance industry transactions since January 1, 2012, which represents more transactions than any other full-service investment bank during that time period.¹

Minneapolis, MN (January 9, 2018) – Constellation, Inc., today announced that its UMIA insurance company has partnered with the 17 owner-insured hospitals of Montana-based Mountain States Healthcare Reciprocal Risk Retention Group (MSHRRRG). Under the partnership which began Jan. 1, 2018, UMIA Insurance, Inc., will provide medical professional liability insurance to the hospitals and their more than 1,500 employed physicians.

“The members of Mountain States Healthcare, like many RRGs today, are seeking profitable growth in the midst of an ever more challenging environment,” said John Kren, President and Chairman of the Subscribers’ Advisory Committee. “As we explored many options, we found Constellation to be an excellent fit, aligned with the member hospitals’ priorities and needs. Constellation’s UMIA is experienced in managing both hospital and physician risk programs. It operates across our geographies and offers types of coverages similar to those we offer. And it strives to provide cost-effective premiums. We look forward to a positive and long-term relationship with UMIA and Constellation.”

“We are delighted to begin a relationship with this group of hospitals and health systems,” said Angie Griffith, Constellation Vice President, Customer Acquisition. “A growing number of RRGs face new pressures as the health care market continues to change. To address their concerns, we’re tailoring our comprehensive medical professional liability and other coverages to help RRGs more effectively manage member risk at a cost-effective price.

“In addition, we’re developing solutions that go beyond insurance to enable group insurance programs such as RRGs to provide added value to their members,” said Griffith. “This partnership will be a model for future relationships with other RRGs aimed at achieving the best results for all parties: the RRGs, their member organizations and Constellation.”

Under the contract with MSHRRRG, UMIA will provide comprehensive liability management programs along with access to a growing portfolio of innovative solutions for risk management, loss control and hands-on claims oversight, all designed to support the 17 hospitals in achieving their broad financial and strategic goals. One such solution is the Physician Empowerment Suite, which features online survey tools that help health care organizations evaluate baseline performance in real time, identify areas of liability risk and uncover opportunities to improve performance.

(1) Source: SNL Financial. Full service investment banks defined as those with an average disclosed deal value of \$25 million or greater. Excludes terminated transactions, self-advisory roles and managed care insurance transactions.

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