



HSG *Family of Companies*

ANNOUNCEMENT – MARCH 13, 2017

**Healthcare Services Group (HSG) Approves
Record-Setting Profit-Sharing Payout**

The board of directors for Medical Liability Alliance (MLA), a Healthcare Services Group (HSG) medical professional liability insurance company, approved a record-setting 19% profit sharing payout for renewing policyholders in 2017 and preserved the 2016 base rate. This payout increase from 18.5% in 2016 represents the single-largest one-year return since MLA began sharing profits in 2009. Historically, MLA has returned an average of 15% in profits to policyholders and has increased the profit-sharing payout every year. The company has also reduced customer rates by 35%, cumulatively, since 2007.

MLA is a wholly owned subsidiary of the Missouri Hospital Plan (MHP), Missouri's leading writer of medical professional and general liability insurance for Missouri hospitals, their employees, subsidiaries, and related operations.

Dividends and profit-shares are paid annually upon renewal for physicians/policyholders. Policyholders must maintain at least a 60% loss ratio in order to receive profit shares. Under the Quality Caregivers Profit Sharing Program, physicians/policyholders can realize the financial benefit of doing business with HSG Family of Companies after being insured for only one year.

Despite factors that impact the cost of professional liability insurance and defense, HSG Family of Companies has consistently held an expense ratio well below the national average, providing additional revenue to the bottom line, and increasing dividends and profit sharing to members/policyholders.

“This action taken by the board demonstrates their continued focus on returning profits to policyholders. Fortunately, our financial position continues to be strong, as validated by our A.M. Best A (Excellent) with a stable outlook rating, and has allowed us to increase profits to shareholders in each of the past eight years,” said Joseph B. Moody, President and CEO of Healthcare Services Group.

“The MLA board of directors believes that good results should be shared with the customers that contributed to the overall success of the company. As a board member and policyholder, I appreciate the opportunity to be part of a company that acts in the best interests of policyholders,” said Dr. Jeffrey Thomasson, Chairman, MLA Board of Directors and President West County Radiology Group.

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