Frequently Asked Questions for Strategic Investment Announcement

What is being announced?
Columbian Mutual Life Insurance Company (“Columbian”) has announced that its Board of Directors has unanimously approved a strategic investment and acquisition of the company by Constellation Insurance Holdings, Inc. (“Constellation”), an insurance holding company. As the parent company of Columbian Life Insurance Company, that company will also be part of the acquisition.

What is the process for the acquisition to take place?
Through a sponsored demutualization of Columbian, policyholders who today hold membership rights in Columbian must vote on and approve a transaction whereby Columbian will become a privately held stock company. All of the company’s newly issued stock will be owned by Constellation. The transaction must also be approved by the New York State Department of Financial Services.

When will this process be completed?
We anticipate that the approval process will be completed in the first half of 2022.

Who is Constellation?
Constellation, an insurance holding company, is backed by Caisse de dépôt et placement du Québec (“CDPQ”) and Ontario Teachers’ Pension Plan Board (“Ontario Teachers”), two of the world’s premier and largest long-term institutional investors. Information about the company can be found at www.constellationih.com

What are the benefits of Columbian becoming a privately held stock company rather than continuing as a mutual company?
The transaction will protect and enhance Columbian’s policyholder interests, as well as help the company grow and thrive by driving new investments in technology and automation. It will also complement and enhance Columbian’s longstanding strengths, including a culture of customer service and employee engagement, a stellar reputation, and strong distribution relationships.

Will Columbian’s brand change?
The Columbian brand will change only slightly. The Columbian Mutual name will change since it will no longer be a mutual company. There will be no change for Columbian Life.

Will there be any changes in leadership?
No, Columbian will maintain its current leadership team.

Will there be job losses as a result of this investment?
We expect no changes to our employees or their compensation and benefits.

Will Columbian add jobs as a result of this investment?
We anticipate that the company’s business will grow as a result of this investment and we will add new positions, if needed, to support that expansion.

Will Columbian’s offices be moving?
No, Columbian’s offices will remain in Binghamton and Syracuse, along with our remote staff in the Atlanta area.
Will Columbian continue to operate as a stand-alone company following completion of the acquisition?
Yes. There will be no changes to our operations.

Why was Columbian seeking to be acquired?
We weren’t seeking to be acquired but we have historically reviewed our business strategy and explored opportunities for securing capital to fuel technology and allow for further growth. Constellation will provide that capital while offering an excellent strategic fit.

What was Columbian looking for in an acquiring company?
We reviewed opportunities that align with the best interests of our policyholders and other stakeholders, our strategy of investing in technology for long-term growth, and our corporate culture and values. Other criteria we required included a deep understanding of the insurance field, the assurance that we would maintain our autonomy, a commitment to workforce stability and maintaining the current management team, and a long-term view of success. Constellation meets all those criteria and more.

Was Columbian concerned that it might go out of business?
No, not at all. When we were approached several months ago by Constellation about their interest in making a capital infusion into Columbian, the Board of Directors determined that external capital was required in order to grow the company. However, external capital was not required to remain an independent organization; that remains the case today.

Is this acquisition happening because of the impact of COVID-19 on the business?
No, this came about as part of our ongoing process of exploring opportunities to secure capital to fuel technology and drive growth. Our COVID-19 pandemic experience plus the ultra-low interest rate environment were among the considerations that caused us to thoroughly explore this specific growth opportunity, but there wasn’t one overarching factor.

Why did Constellation want to acquire Columbian?
Constellation recognizes the significant growth opportunities within Columbian and has chosen to invest in us to help make that growth happen. All stakeholders will benefit as the company is further positioned for long-term success through these investments.

What happens if policyholders don’t vote to approve this transaction?
While highly unlikely, the transaction would not move forward.

Will Columbian continue to support local communities?
Yes. Binghamton has been home to our company’s headquarters since 1907 and will continue to be the headquarters for our operations. We also look to continue our Syracuse and Atlanta presence as well. We look forward to continuing our longstanding support of not-for-profit organizations, the arts, colleges and universities, and other businesses and contributing to the quality of life in these communities.