

Quarterly Industry Update

As of September 30, 2015

Industry: Insurance Management



Industry Summary

Cogent Valuation identified Insurance Management publicly traded companies, IPOs, and recent M&A transactions within the Insurance Management industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since September 30, 2014, the median 52-week share price return of the Insurance Management industry was -4.4%. Between September 30, 2013 and September 30, 2015, the median EV/EBITDA multiple decreased from 14.4 to 13.3. Furthermore, the median price-to-earnings multiple decreased from 34.0 to 26.8 over the same period.

Comparable Public Company Key Statistics

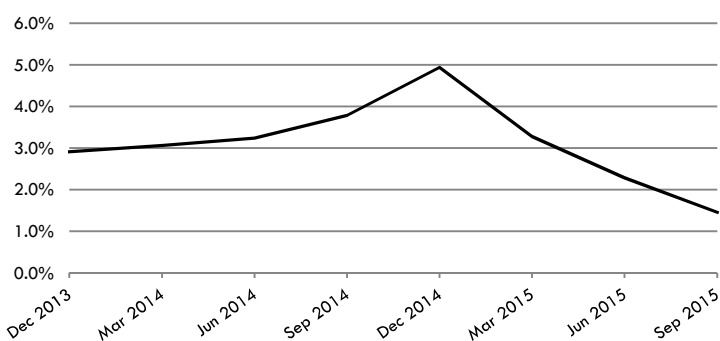
| | | | | | |
|---------------------------|-------|----------------------------|-------|--------------------------------|-------|
| Median 52-Week Return | -4.4% | Median EV/Revenue Multiple | 2.4x | Median Price/Earnings Multiple | 26.8x |
| Median 3-Year CAGR Return | 13.0% | Median EV/EBITDA Multiple | 13.3x | Median EV/Gross CF Multiple | 19.1x |

Comparable Public Company Market Price Returns As of September 30, 2015

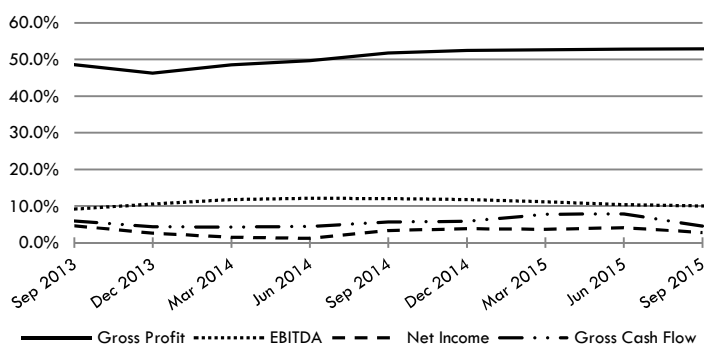
| | YTD | 3 Month | 1 Year | 2 Year | 3 Year | 5 Year | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|-------------|-------------|--------------|
| Cerner Corporation | 16.0% | -13.2% | 0.7% | 6.8% | 15.7% | 23.3% | 16.0% | 43.8% | 26.5% | 29.3% | 14.9% |
| MAXIMUS, Inc. | 24.7% | -9.4% | 48.4% | 15.0% | 25.9% | 31.1% | 24.7% | 39.2% | 52.9% | 26.1% | 31.2% |
| Allscripts Healthcare Solutions, Inc. | -17.4% | -9.4% | -7.6% | -8.7% | -0.1% | -7.7% | -17.4% | 64.1% | -50.3% | -1.7% | -4.7% |
| athenahealth, Inc. | 8.3% | 16.4% | 1.3% | 10.8% | 13.3% | 32.2% | 8.3% | 83.5% | 49.2% | 19.9% | -9.4% |
| WebMD Health Corp. | 0.1% | -10.0% | -4.7% | 18.1% | 41.6% | -4.4% | 0.1% | 175.5% | -61.8% | -26.5% | 32.7% |
| Independence Holding Co. | 3.4% | -1.7% | -2.5% | -4.7% | 8.8% | 15.2% | 3.4% | 41.7% | 28.8% | 0.1% | 40.0% |
| CorVel Corporation | -20.3% | 0.9% | -5.1% | -6.5% | 13.0% | 8.8% | -20.3% | 108.3% | -13.3% | 6.9% | 44.2% |
| HMS Holdings Corp. | -6.9% | -48.9% | -53.5% | -36.1% | -36.0% | -14.9% | -6.9% | -12.4% | -18.9% | 48.1% | 33.0% |
| Hooper Holmes Inc. | -2.8% | -40.3% | -81.3% | -50.8% | -43.8% | -30.7% | -2.8% | 33.5% | -33.8% | -14.3% | -32.7% |
| Workday, Inc. | -1.9% | -9.9% | -16.5% | -7.8% | N/A | N/A | -1.9% | 52.6% | N/A | N/A | N/A |
| Guidewire Software, Inc. | 3.2% | -0.7% | 18.6% | 5.6% | 19.2% | N/A | 3.2% | 65.1% | N/A | N/A | N/A |
| Solera Holdings Inc. | -27.7% | 21.2% | -4.2% | 1.1% | 7.2% | 4.1% | -27.7% | 32.3% | 20.0% | -13.2% | 42.5% |
| Median of Industry Public Companies | -0.9% | -9.4% | -4.4% | -1.8% | 13.0% | 6.4% | -0.9% | 48.2% | 3.4% | 3.5% | 31.9% |

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Insurance Management Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Insurance Management Industry

| Date: | 9/30/2013 | 12/31/2013 | 3/31/2014 | 6/30/2014 | 9/30/2014 | 12/31/2014 | 3/31/2015 | 6/30/2015 | 9/30/2015 |
|------------------------------|-----------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
| EV/Revenues Multiple | 2.4x | 3.4x | 3.4x | 3.8x | 3.2x | 3.0x | 3.2x | 3.3x | 2.4x |
| EV/EBITDA Multiple | 14.4x | 14.8x | 14.1x | 15.4x | 13.0x | 13.2x | 15.8x | 15.2x | 13.3x |
| Price/Earnings Multiple | 34.0x | 36.3x | 31.0x | 35.5x | 34.4x | 32.4x | 37.9x | 32.0x | 26.8x |
| EV/Gross Cash Flows Multiple | 25.3x | 24.7x | 23.9x | 24.1x | 22.9x | 26.2x | 30.4x | 30.3x | 19.1x |

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Quarterly Industry Update

As of September 30, 2015

Industry: Insurance Management

Industry Initial Public Offerings (dollars in millions, except share prices)

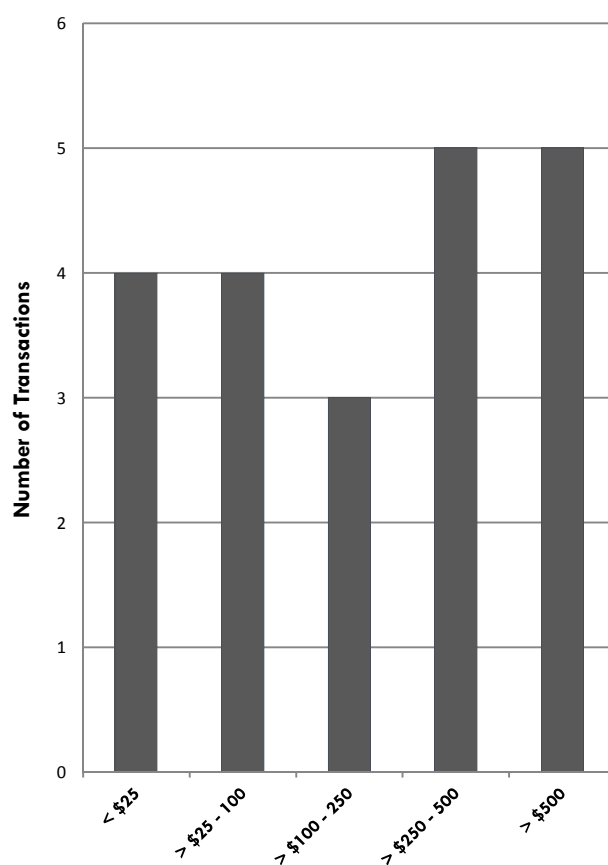
| Offer Date | Company Name | Offer Price | Shares Offered | Amount Raised | Total Assets | Debt | LTM Revenues | LTM EBITDA | LTM Net Income | LTM Cash Flows |
|---------------------------|--------------------------|-------------|----------------|----------------|----------------|---------------|----------------|---------------|----------------|----------------|
| 7/30/2014 | HealthEquity, Inc. | \$14.00 | 9.1 | \$127.4 | \$55.9 | \$0.0 | \$67.6 | \$18.6 | \$2.2 | \$19.5 |
| 10/11/2012 | Workday, Inc. | \$28.00 | 22.8 | \$637.0 | \$267.2 | \$16.1 | \$199.1 | (\$75.8) | (\$90.3) | (\$62.7) |
| 1/24/2012 | Guidewire Software, Inc. | \$13.00 | 8.9 | \$115.1 | \$102.8 | \$0.0 | \$190.2 | \$25.9 | \$38.5 | \$27.8 |
| 9/19/2007 | athenahealth, Inc. | \$18.00 | 6.3 | \$113.2 | \$44.3 | \$32.0 | \$86.9 | \$3.0 | (\$10.8) | \$7.9 |
| 5/10/2007 | Solera Holdings Inc. | \$16.00 | 26.3 | \$420.0 | \$1,266.5 | \$874.8 | N/A | N/A | N/A | N/A |
| Median of All IPOs | | nm | nm | \$127.4 | \$102.8 | \$16.1 | \$138.5 | \$10.8 | (\$4.3) | \$13.7 |

nm: not meaningful, N/A: not applicable

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought |
|---|--------------------------------|-------------------------------|------------------|-------------|
| 9/30/2015 | Agate Resources, Inc. | Centene Corp. | \$130.0 | 100% |
| 9/5/2015 | myPartner, S.A. | Isatech SAS | \$1.3 | 51% |
| 6/24/2015 | Sage Technologies Co. | Arcadia Solutions, LLC | \$28.0 | 100% |
| 6/12/2015 | InsureLinx, Inc. | Patriot Technology Solutions, | \$6.0 | 100% |
| 4/17/2015 | Vikaran Solutions LLC | Patriot Technology Solutions, | \$8.5 | 100% |
| 12/18/2014 | Total Objects Limited | Xchanging plc | \$36.0 | 100% |
| 6/13/2014 | Health Advocate, Inc. | West Corporation | \$265.0 | 100% |
| 4/1/2014 | Summit Holding SE | American Financial Group | \$260.0 | 100% |
| 3/7/2014 | KnowledgePoint360 | Ashfield Healthcare, LLC | \$144.0 | 100% |
| 3/3/2014 | Groupe AST | Morneau Shepell Inc. | \$28.9 | 100% |
| 2/17/2014 | MultiPlan, Inc. | Partners Group Holding | \$4,400.0 | 100% |
| 1/1/2014 | The Frankel Group LLC | Huron Consulting Group | \$18.0 | 100% |
| 11/21/2013 | Passport Health | Experian plc | \$850.0 | 100% |
| 10/18/2013 | Faneuil, Inc. | ALJ Regional Holdings, Inc. | \$52.5 | 100% |
| 10/1/2013 | Restat, LLC | Catamaran Corporation | \$409.5 | 100% |
| 5/1/2013 | Managed Health Care | Roper Industries, Inc. | \$1,000.0 | 100% |
| 12/21/2012 | Metropolitan Health Networks | Humana Inc. | \$795.6 | 100% |
| 11/1/2012 | HealthCare Partners, LLC | DaVita Inc. | \$4,693.0 | 100% |
| 10/1/2012 | J. A. Thomas & Associates Inc. | Nuance Communications | \$265.0 | 100% |
| 9/28/2012 | Quadramed Quantim Corp. | Nuance Communications | \$230.0 | 100% |
| 8/15/2012 | Fidelity National Info. | Lightyear Capital LLC | \$335.0 | 100% |
| Median of the 21 M&A Transaction Targets | | | \$230.0 | 100% |

Size of the 21 M&A Transactions (dollars in millions)



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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