

Quarterly Industry Update

As of September 30, 2014

Industry: Insurance Management



Industry Summary

Cogent Valuation identified 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. Since September 30, 2013, the median 52-week share price return of the Insurance Management industry has increased by 1.9%. In the last quarter, the median price-to-earnings multiple decreased from 37.7x to 21.6x.

Comparable Public Company Key Statistics

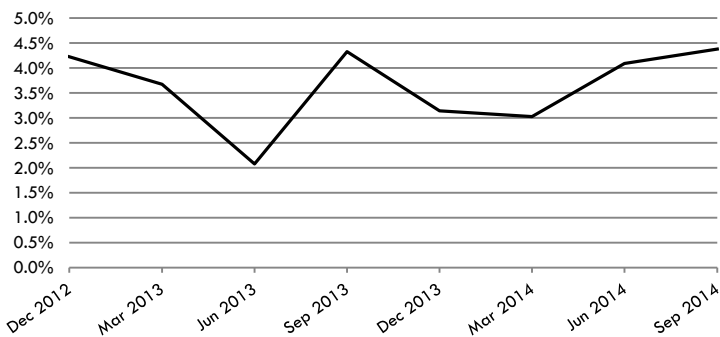
Median 52-Week Return	1.9%	Median EV/Revenue Multiple	2.7x	Median Price/Earnings Multiple	21.6x
Median 3-Year CAGR Return	17.0%	Median EV/EBITDA Multiple	11.7x	Median EV/Gross CF Multiple	19.0x

Comparable Public Company Market Price Returns (As of September 30, 2014)

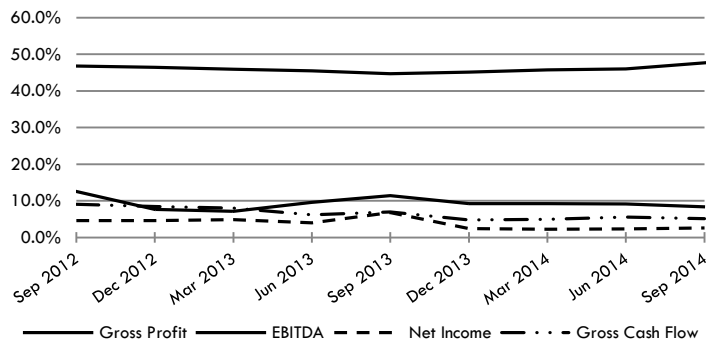
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2013	2012	2011	2010	2009
Cerner Corporation	6.9%	15.5%	13.4%	24.1%	20.2%	26.1%	43.8%	26.5%	29.3%	14.9%	114.4%
MAXIMUS, Inc.	-8.8%	-6.7%	-10.9%	15.9%	32.0%	28.1%	39.2%	52.9%	26.1%	31.2%	42.4%
Allscripts Healthcare Solutions, Inc.	-13.2%	-16.4%	-9.8%	3.9%	-9.4%	-7.9%	64.1%	-50.3%	-1.7%	-4.7%	103.9%
athenahealth, Inc.	-2.1%	5.2%	21.3%	19.8%	30.3%	28.0%	83.5%	49.2%	19.9%	-9.4%	20.3%
WebMD Health Corp.	5.8%	-13.4%	46.4%	72.6%	11.5%	N/A	175.5%	-61.8%	-26.5%	32.7%	N/A
Independence Holding Co.	-1.5%	-5.9%	-6.9%	14.9%	26.3%	20.0%	41.7%	28.8%	0.1%	40.0%	60.7%
CorVel Corporation	-27.1%	-24.6%	-7.9%	23.4%	17.0%	19.1%	108.3%	-13.3%	6.9%	44.2%	52.6%
HMS Holdings Corp.	-17.0%	-7.6%	-12.3%	-24.9%	-8.2%	8.1%	-12.4%	-18.9%	48.1%	33.0%	54.5%
American Independence Corp.	-8.5%	-9.8%	10.3%	49.7%	32.0%	18.3%	140.4%	29.2%	-20.2%	6.6%	66.7%
Hooper Holmes Inc.	14.6%	-18.7%	29.2%	-2.6%	-2.7%	-8.9%	33.5%	-33.8%	-14.3%	-32.7%	316.0%
Workday, Inc.	-0.8%	-8.2%	1.9%	N/A	N/A	N/A	52.6%	N/A	N/A	N/A	N/A
Guidewire Software, Inc.	-9.6%	9.1%	-5.9%	19.5%	N/A	N/A	65.1%	N/A	N/A	N/A	N/A
Solera Holdings Inc.	-20.4%	-16.1%	6.6%	13.3%	3.7%	12.6%	32.3%	20.0%	-13.2%	42.5%	49.4%
Median of Industry Public Companies	-8.5%	-8.2%	1.9%	17.7%	17.0%	18.7%	52.6%	20.0%	0.1%	31.2%	57.6%

(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:	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014
EV/Revenues Multiple	1.7x	1.6x	2.1x	2.2x	2.3x	2.8x	3.0x	3.1x	2.7x
EV/EBITDA Multiple	12.6x	14.8x	13.9x	13.2x	12.9x	14.6x	14.3x	15.2x	11.7x
Price/Earnings Multiple	27.6x	27.0x	28.1x	24.2x	26.4x	31.4x	30.4x	37.7x	21.6x
EV/Gross Cash Flows Multiple	26.2x	24.1x	28.5x	18.3x	24.4x	29.7x	22.5x	29.2x	19.0x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

Quarterly Industry Update

As of September 30, 2014

Industry: Insurance Management



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

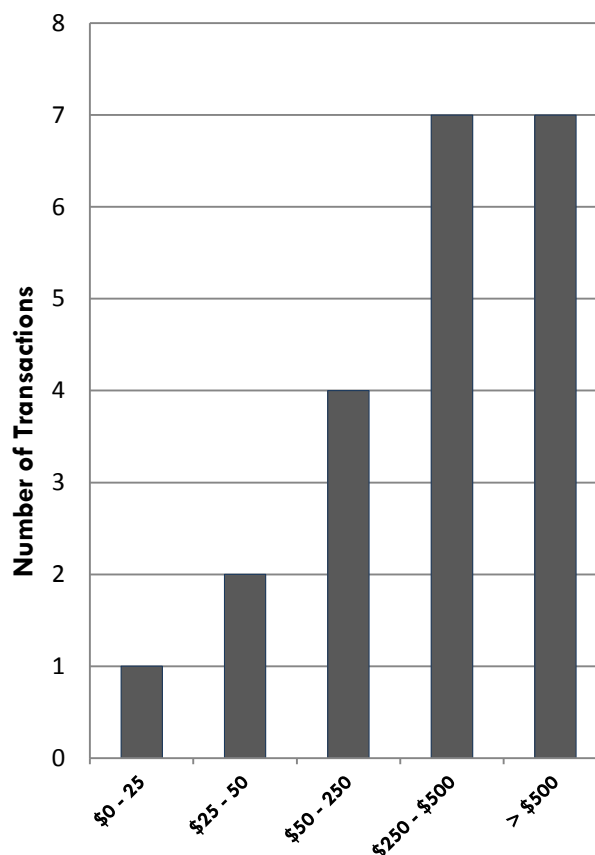
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
7/30/2014	HealthEquity, Inc.	\$14.00	9.1	\$127.4	\$55.9	\$0.0	\$67.6	\$18.6	\$2.2	\$19.5
10/11/2012	Workday, Inc.	\$28.00	22.8	\$637.0	\$267.2	\$16.1	\$199.1	(\$75.8)	(\$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	\$4,453.7	\$2,288.3	\$6,889.8	\$416.9	\$59.7	N/A
5/10/2007	Solera Holdings Inc.	\$16.00	26.3	\$420.0	\$1,261.6	\$878.9	\$443.5	\$129.2	(\$54.6)	\$144.3
2/10/1999	WebMD Health Corp.	\$8.00	5.0	\$40.0	\$79.9	\$3.5	\$48.8	(\$38.8)	(\$54.0)	(\$22.7)
6/12/1997	MAXIMUS, Inc.	\$16.00	5.3	\$84.0	\$47.1	\$0.4	\$151.6	\$17.2	\$17.4	\$17.5
Median of All IPOs		nm	nm	\$115.1	\$102.8	\$3.5	\$190.2	\$18.6	\$2.2	\$18.5

nm: not meaningful

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
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%
8/1/2012	CareSource Michigan	McLaren Health Plan, Inc.	\$27.0	100%
6/5/2012	Truven Health Analytics	Veritas Capital	\$1,250.0	100%
5/31/2012	Access Plans, Inc.	Affinity Insurance Services	\$69.5	100%
5/29/2012	Extend Health, Inc.	Towers Watson & Co.	\$435.0	100%
1/31/2012	HealthSpring Inc.	CIGNA Corporation	\$4,195.7	100%
1/1/2012	HealthTran LLC	SXC Health Solutions	\$305.3	100%
Median of All Transaction Targets			\$305.3	100%

Size of Merger and Acquisition Transactions (dollars in millions)



Disclosures and Limitations: This research report is for informational and discussion purposes only. Information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE. This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2014 Cogent Valuation. All Rights Reserved.