

Quarterly Industry Update

As of December 31, 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 December 31, 2014, the median 52-week share price return of the Insurance Management industry was 4.9%. Between December 31, 2013 and December 31, 2015, the median EV/EBITDA multiple decreased from 14.8 to 14.1. Furthermore, the median price-to-earnings multiple decreased from 36.3 to 32.0 over the same period.

Comparable Public Company Key Statistics

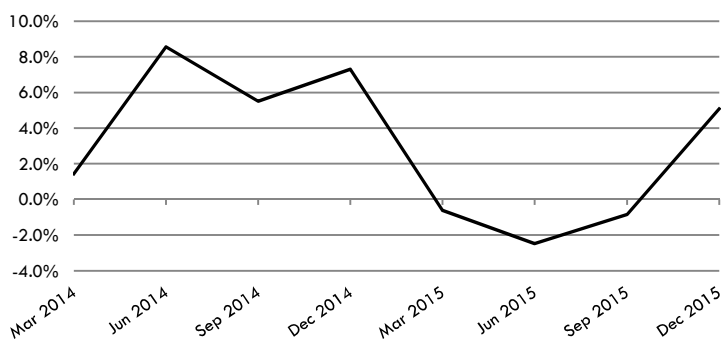
Median 52-Week Return	4.9%	Median EV/Revenue Multiple	2.8x	Median Price/Earnings Multiple	32.0x
Median 3-Year CAGR Return	16.8%	Median EV/EBITDA Multiple	14.1x	Median EV/Gross CF Multiple	1.9x

Comparable Public Company Market Price Returns As of December 31, 2015

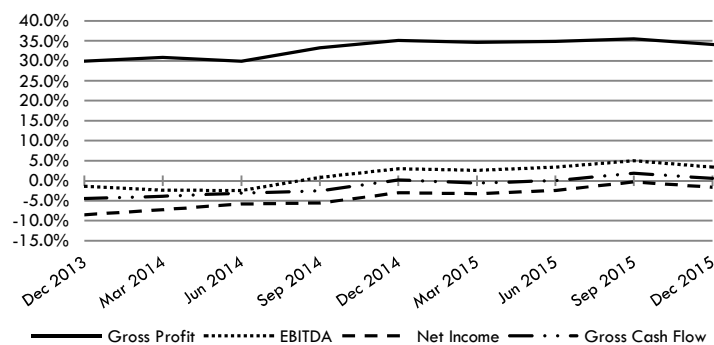
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
Allscripts Healthcare Solutions, Inc.	20.4%	24.0%	20.4%	-0.3%	17.8%	-4.4%	20.4%	-17.4%	64.1%	-50.3%	-1.7%
athenahealth, Inc.	10.5%	20.7%	10.5%	9.4%	30.0%	31.5%	10.5%	8.3%	83.5%	49.2%	19.9%
Cerner Corporation	-6.9%	0.4%	-6.9%	3.9%	15.8%	20.5%	-6.9%	16.0%	43.8%	26.5%	29.3%
CorVel Corporation	18.0%	36.0%	18.0%	-3.0%	25.1%	12.7%	18.0%	-20.3%	108.3%	-13.3%	6.9%
Guidewire Software, Inc.	18.8%	14.4%	18.8%	10.7%	26.5%	N/A	18.8%	3.2%	65.1%	N/A	N/A
HMS Holdings Corp.	-41.6%	40.7%	-41.6%	-26.3%	-21.9%	-10.6%	-41.6%	-6.9%	-12.4%	-18.9%	48.1%
Hooper Holmes Inc.	-88.2%	-46.7%	-88.2%	-66.2%	-46.6%	-38.7%	-88.2%	-2.8%	33.5%	-33.8%	-14.3%
Independence Holding Co.	-0.7%	6.9%	-0.7%	1.3%	13.3%	13.4%	-0.7%	3.4%	41.7%	28.8%	0.1%
MAXIMUS, Inc.	2.6%	-5.6%	2.6%	13.1%	21.2%	28.0%	2.6%	24.7%	39.2%	52.9%	26.1%
Solera Holdings Inc.	7.1%	1.5%	7.1%	-12.0%	0.8%	1.3%	7.1%	-27.7%	32.3%	20.0%	-13.2%
WebMD Health Corp.	22.1%	21.2%	22.1%	10.6%	49.9%	-1.1%	22.1%	0.1%	175.5%	-61.8%	-26.5%
Workday, Inc.	-2.4%	15.7%	-2.4%	-2.1%	13.5%	N/A	-2.4%	-1.9%	52.6%	N/A	N/A
Median of Industry Public Companies	4.9%	15.1%	4.9%	0.5%	16.8%	7.0%	4.9%	-0.9%	48.2%	3.4%	3.5%

(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:	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015
EV/Revenues Multiple	3.4x	3.4x	3.8x	3.2x	3.0x	3.2x	3.3x	2.4x	2.8x
EV/EBITDA Multiple	14.8x	14.1x	15.4x	13.0x	13.2x	15.8x	15.2x	13.3x	14.1x
Price/Earnings Multiple	36.3x	31.0x	35.5x	34.4x	32.4x	37.9x	32.0x	26.8x	32.0x
EV/Gross Cash Flows Multiple	24.7x	23.9x	24.1x	22.9x	9.7x	30.4x	30.3x	19.1x	1.9x

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Quarterly Industry Update

As of December 31, 2015

Industry: Insurance Management



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

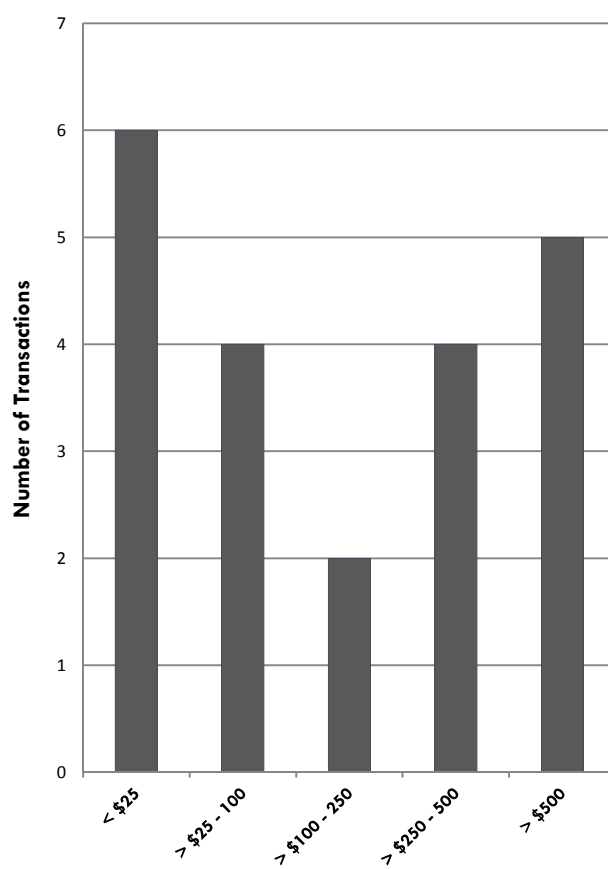
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
7/30/2014	HealthEquity, Inc.	\$14.00	9.1	\$127.4	\$55.9	\$0.0	\$67.6	\$18.6	\$2.2	\$19.5
10/11/2012	Workday, Inc.	\$28.00	22.8	\$637.0	\$267.2	\$16.1	\$199.1	(\$75.8)	(\$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
12/1/2015	Jelf Group plc	Marsh & McLennan	\$403.0	100%
11/27/2015	Lifepaza Partners	Nippon Life Insurance	\$3.1	69%
10/1/2015	Brovada Technologies	Towers Watson & Co.	\$15.2	100%
9/30/2015	Agate Resources, Inc.	Centene Corp.	\$120.0	100%
1/0/1900	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%
Median of the 21 M&A Transaction Targets			\$120.0	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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