

Insurance Tech/Services Highlight

M&A Announcements

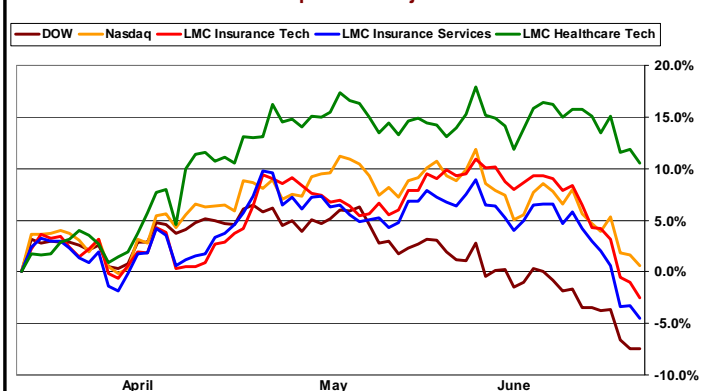
Date	Acquirer	Target	Amount
06/30/08	PMA Capital Corporation (Nasdaq:PMACA)	Webster Risk Services	\$5,900,000
06/30/08	York Insurance Svcs	American Risk Pooling	Undisclosed
06/23/08	Oracle (Nasdaq:ORCL)	Skywire Software	Undisclosed
06/18/08	Health Care Service Corp.	MEDDecision Inc.	\$121,000,000
06/13/08	Vertafore, Inc.	Sircon Corporation	Undisclosed
06/09/08	HealthCentral Network	MedTrackAlert	Undisclosed
06/06/08	HealthFirst TPA	TriSurant	Undisclosed
06/03/08	General Dynamics IT	ViPS, Inc.	\$225,000,000
05/29/08	Genworth Financial, Inc. (NYSE:GNW)	CareScout	\$12,500,000
05/28/08	SCIOinspire Corp.	SOCRATES, INC.	Undisclosed
05/23/08	Passport Health Commun.	Nebo Systems	Undisclosed
05/19/08	Quality Systems	Healthcare Strategic Initiatives	Undisclosed
05/14/08	McKesson	Vivalog LLC	Undisclosed
05/12/08	Oracle (Nasdaq:ORCL)	AdminServer	Undisclosed
05/08/08	Versata Enterprises	Clear Technology Inc.	Undisclosed
05/07/08	Innovation Group	Choice Certified Solutions	Undisclosed
05/06/08	Presidio Reinsurance	Vespasian Management, Ltd.	Undisclosed
05/05/08	InfoLogix	Delta Health Systems	Undisclosed
05/02/08	McKesson	HTP Inc.	Undisclosed
04/29/08	Word & Brown Companies	Quotit Corp.	Undisclosed
04/29/08	MedAssets Inc.	Accuro Healthcare Solutions	\$350,000,000
04/28/08	Affiliated Computer Svcs, Inc. (NYSE:ACS)	ComplQ Corporation	\$22,000,000
04/25/08	Ebix, Inc. (Nasdaq:EBIX)	Periculum Services Group	Undisclosed
04/17/08	WellPoint (NYSE:WLP)	Resolution Health	Undisclosed
04/11/08	Apax Partners	TriZetto Group (Nasdaq:TZIX)	\$1,400,000,000
04/11/08	CCC Information Services	Mitchell International, Inc.	\$1,400,000,000
04/07/08	WNS Holdings Limited (NYSE:WNS)	Call 24/7 Ltd.	\$19,200,000
04/03/08	Mitchell International, Inc.	Fair Isaac Medical Bill Review Business Unit	Undisclosed
04/02/08	RenaissanceRe Holdings Ltd. (NYSE:RNR)	Claims Management Services Inc.	Undisclosed
04/01/08	Peak Performance	Claims Harbor	Undisclosed

Public Companies - Sector Performances

Sector	Stock Price Change (as of 6/30/08)			P/E Multiples*		Price/Revenue*
	YTD	1 Month	1 Year	TTM	2008E	
Insurance Tech	(10.4%)	(10.6%)	14.8%	17.77	20.61	2.51
Insurance Services	(8.7%)	(11.0%)	2.3%	14.44	14.82	1.82
Healthcare Tech	(17.9%)	(3.2%)	(19.8%)	30.89	25.65	1.94

*Trailing Twelve Months through 3/31/08

LMC Indices Compared to Major Market Indices



Current M&A Market Overview

Despite the broad swings in the financial markets, M&A activity in insurance and healthcare technology/services maintained a healthy pace in the second quarter. Tech companies which have historically focused on rounding out enterprise applications are increasingly expanding into vertical markets, specifically the insurance and health care space. Oracle made the biggest splash with the announced acquisitions of both AdminServer and Skywire, which will complement their expanding insurance solution set and further strengthen their position as a major player in this market. Healthcare technology continues its consolidation, creating the "barbell" effect with fewer very large companies on one end and many niche competitors on the other. Small- to middle-market companies with leading technology would be wise to stay abreast of the M&A developments to continually assess how their solution might fit with these acquisitive larger players.

Deal Commentary

Oracle to buy Skywire and AdminServer: Oracle Corp. agreed to buy both Skywire Software as well as AdminServer to boost its software applications for the insurance industry. Skywire Software's insurance software helps insurers in managing the lifecycle of an insurance policy, including insurance policy creation, rating, insurance agent/broker management and information exchange solutions. AdminServer is a rapidly growing provider of insurance policy administration software. With these two acquisitions, Oracle has accelerated the formation of the most complete software suite for the insurance enterprise to include Oracle's database and middleware for technical infrastructure, Oracle applications to support general business, insurance-specific functionality in Oracle Billing, Siebel Claims, Siebel CRM and Insure3, plus Skywire Software and AdminServer to further automate insurance policy life cycle management.

SCIOinspire acquires SOCRATES: SCIOinspire Corp., provider of healthcare cost-containment services, acquired SOCRATES, INC., which provides coordination of benefits, subrogation/reimbursement outsourcing, technology and consulting cost containment and recovery solutions to the healthcare payer industry, using its sophisticated software platform, MY SOCRATES. The

LMC Capital LLC is a national investment banking firm focused exclusively on the insurance industry.

Our services include: Mergers & Acquisitions, Capital Formation, Valuations, Strategic Advisory, and Regulatory Services.

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DEAL COMMENTARY (CONTINUED)

acquisition of SOCRATES, INC. advances SCIOinspire's objective of offering an array of data-driven tools and services to help healthcare payers save money on every aspect of cost management and revenue recovery.

McKesson acquires Vivalog: McKesson has acquired Vivalog LLC, a provider of web-based solutions, including its MyPACS.net medical imaging reference portal that enables radiologists, cardiologists, and other imaging specialists to organize and share the image and reference case information needed during daily practice. With Vivalog in the fold, McKesson can better help healthcare organizations improve their profitability. Imaging specialists will be able to reduce the hours spent each week preparing for rounds and conferences, allowing more time for patient care and other revenue-generating activities. Furthermore, this solution represents an expanding decision support resource which allows imaging specialists to quickly access reference cases when deciding on a diagnosis, thereby helping to reduce diagnostic errors.

InfoLogix acquires Delta Health Systems: InfoLogix, Inc., provider of enterprise mobility solutions for the healthcare industry, has acquired Delta Health Systems, Inc., a company specializing in providing strategic cost management consulting services and web-based analytics software to hospitals across North America. Delta has strong relationships with healthcare CEOs and CFOs, which complement InfoLogix's relationships with healthcare CIOs and technology executives.

ACS to acquire ComplQ Corporation: ComplQ is a national provider of medical bill review and cost-containment services for the workers' compensation, group health and liability insurance industries. The addition of ComplQ helps elevate and distinguish ACS as a leading provider of reliable, flexible solutions to the healthcare and insurance payer markets. In addition, this acquisition increases its ability to penetrate the bill review market.

Apax Partners acquires TriZetto Group Inc.: Apax Partners Worldwide LLC, a global private equity company, has acquired the TriZetto Group, Inc., a provider of core administration software, professional services, and business process outsourcing for the healthcare industry. Co-investing with Apax were BlueCross BlueShield of Tennessee and the Regence Group. This transaction shows the continuing appetite among private equity groups for the healthcare management space. Apax plans to take TriZetto private.

Peak Performance acquires Claims Harbor: Peak Performance, through its subsidiary Envision Technology Solutions, Inc., has acquired Claims Harbor, which offers insurance applications and services for the P&C insurance markets. Claims Harbor is a business unit of Harbor Payments, which was acquired by American Express in 2007. Envision's acquisition of Claims Harbor expands its business intelligence offerings, compliance solutions, workflow automation, managed care, and claims management solutions.

SELECTED LMC TRANSACTIONS

HAS AGREED TO ACQUIRE

LMC INITIATED THE TRANSACTION AND IS SERVING AS FINANCIAL ADVISOR TO HAULERS INSURANCE COMPANY, INC.

HAS ACQUIRED

LMC INITIATED THE TRANSACTION AND SERVED AS FINANCIAL ADVISOR TO LEICHT GENERAL AGENCY, INC.

HAS ACQUIRED

FOR \$16,000,000

LMC INITIATED THE TRANSACTION AND SERVED AS FINANCIAL ADVISOR TO EBIX, INC.

FOR \$10,500,000

LMC MANAGING DIRECTOR, LAUGHTON SHERMAN, SERVED AS FINANCIAL ADVISOR TO LIFELINK

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