

Overall M&A activity within the Insurance sector increased 1% over the last twelve months (LTM) ending December 31, 2005 with 196 deals reported compared with 194 deals for the same period last year and with median valuation multiples at 1.2 x Revenue, 8.7 x EBITDA, 10.4 x EBIT and 2.5 x Book Value.

### M&A TRANSACTIONS BY SUBSECTOR

For the Last Twelve Months Ended December 31,

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Insurance Brokers	77	47%	42	31%	67	38%	86	44%	89	45%
Property & Casualty Insurance	39	24%	41	30%	56	32%	56	29%	51	26%
Health & Medical Insurance	27	16%	30	22%	27	15%	25	13%	32	16%
Life Insurance	21	13%	22	16%	27	15%	27	14%	24	12%
<b>Total</b>	<b>164</b>	<b>100%</b>	<b>135</b>	<b>100%</b>	<b>177</b>	<b>100%</b>	<b>194</b>	<b>100%</b>	<b>196</b>	<b>100%</b>

Based upon Mosaic Capital research and subject to qualifications found on our website. Valuation multiples include public transactions and premiums for control, which can vary significantly between public and private companies. Private company transactions also typically include valuation discounts for limited liquidity, due to a lack of a public market.

Large national and international strategic buyers lead the demand for U.S.-based businesses in this sector. In addition, private equity groups own or control over 50 portfolio companies and also are fueling demand. Buyers objectives include:

- Achieve economies of scale in maturing and fragmented insurance markets
- Address terrorism risk and other external litigation concerns
- Compete with more sophisticated, larger insurance providers
- Secure distributor channels by offering better service to a shrinking number of insurance brokers

#### About Mosaic Capital

Mosaic Capital LLC is a leading national investment banking firm specializing in merger and acquisition and related corporate finance transactions, as well as business valuations for middle-market companies. The private placement of debt and equity securities is provided through affiliate Mosaic Capital Securities LLC - member NASD/SIPC. Mosaic Capital is a member of International Merger & Acquisition Partners (www.imap.com), an exclusive global partnership of leading M&A advisory firms with 98 offices in 24 countries, the partners of which have completed 1,000 middle market transactions exceeding \$18 billion in value since 2000.

Mosaic Capital seeks introductions to owners and management teams in the following lines of business:

#### Insurance Brokers, including:

- Claims Adjusters
- Claims Processors

#### Property & Casualty Insurance, including:

- Homeowner & Renter Insurance
- Motor Vehicle Insurance
- Title, Surety & Financial Responsibility Insurance
- Disability Insurance & Worker's Comp Insurance
- Accident & Liability Insurance
- Fire & Marine Insurance

#### Life Insurance, including:

- Life Insurance
- Life Reinsurance

#### Health & Medical Insurance, including:

- Health Insurance
- Medical Insurance
- Health & Medical Reinsurance
- Hospital Service Plans
- Diversified Medical Service Plans
- Managed Care Health Insurance Plans