
HealthPlan Holdings, Inc.

Corporate Headquarters
3501 Frontage Road
Tampa, FL 33607
(813) 289-1000

www.healthplan.com

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Media contacts:

Pamela Sullins
813-289-1000 ext. 2392
psullins@healthplan.com

Kelly Zitlow
847-858-5230
kelly.zitlow@wsnp.com

HEALTHPLAN HOLDINGS, INC. ACQUIRES GEMGROUP

Acquisition Enhances Outsourcing Provider's Services to Taft-Hartley Benefit Plans for Unionized Workers

TAMPA, Fla. – July 7, 2010 – HealthPlan Holdings, Inc. (HealthPlan), a leading provider of outsourcing solutions to insurers in the individual, small business and union trust markets, announced today that it has acquired GEMGroup. Headquartered in Pittsburgh, GEMGroup specializes in accounting, pension and 401(k) administration software and services to self-funded and Taft-Hartley employee benefit plans for unionized workers.

The acquisition enhances HealthPlan's outsourcing technology and services that it provides to the nation's largest Taft-Hartley benefit plans. It also expands the company's presence in the northeastern United States, where GEMGroup has five offices employing more than 120 people.

"GEMGroup has tremendous expertise and technology assets in the union trust market. Its market-leading accounting, pension and 401(k) administration software, available in an ASP model, will greatly enhance our service offering," said Jeff Bak, chief executive officer, HealthPlan. "Together, we will offer Taft-Hartley plans the most comprehensive and flexible outsourcing solution available on the market to support them with administering their benefit plans under the complex regulations they operate within."

Bill Clair, chief operating officer, GEMGroup, added: “We are excited to join forces with HealthPlan, a leader in the benefits outsourcing industry. Both our companies are leaders because of our commitment to our customers. Together, we will provide our customers with an unprecedented combination of expertise, state-of-the-art technology and support.”

Founded in 1970, HealthPlan has grown to become the nation’s largest independent provider of outsourcing solutions to insurers focused on the individual, small business and union trust markets. Since partnering with Water Street Healthcare Partners, a leading private equity firm focused exclusively on health care, HealthPlan has invested in expanding its services and technology to support insurers with attracting and retaining the growing numbers of consumers moving to individual and small business benefit plans.

“When we invested in HealthPlan, we saw an opportunity to build a leading organization focused on helping insurers capture the rising number of individuals and small businesses needing insurance coverage,” said Steve Cosler, an operating partner with Water Street and a member of HealthPlan’s board of directors. “We will continue to pursue acquisition opportunities that will expand HealthPlan’s continuum of solutions that address insurers’ unique needs and strategies.”

About HealthPlan Holdings, Inc.

Founded in 1970, HealthPlan Holdings, Inc. provides end-to-end sales, administration and technology solutions to the health care, ancillary and voluntary insurance markets. The company supports more than 25 insurance carriers that utilize its technology and service solutions to help grow and retain their members, and reduce their membership administrative costs in the individual and small business markets. The company currently supports more than 2 million members and thousands of small businesses, as well as some of the nation’s largest Taft-Hartley funds for unionized workers. Headquartered in Tampa, Fla., HealthPlan employs approximately 1,100 associates. For more information, visit www.healthplanholdings.com.

About GEMGroup.

GEMGroup (formerly Weaver Associates), founded in 1932, is a multidimensional service company that specializes in providing administrative services to large and medium-sized employee benefit plans. GEMGroup serves more than 200 client benefit plans through offices located in Pittsburgh; Oxon Hill, Md.; Claymont, Del.; Towson, Md.; and Atlanta, and employs approximately 120 associates. The organization administers benefits to more than 200,000 participants, encompassing over \$4 billion in combined assets. For more information, visit www.GEMGrouplp.com.

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