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FOR IMMEDIATE RELEASE

ARROWHEAD ANNOUNCES RECAPITALIZATION WITH SPECTRUM EQUITY INVESTORS & ARROWHEAD SENIOR MANAGEMENT

San Diego, CA, 08/10/06 – San Diego-based Arrowhead General Insurance Agency, Inc., one of the nation's largest privately held general insurance agencies, and its wholly owned subsidiaries, including Cypress Point - Arrowhead General Insurance Agency, Inc., announced Spectrum Equity Investors, a private equity firm with more than \$4 billion in capital under management, and members of Arrowhead's senior management team, have led a recapitalization of the company. The alliance between Arrowhead and Spectrum will leverage both of their strengths, allowing Arrowhead to advance its strategy of profitable national program growth.

"Spectrum is a wonderful partner for Arrowhead," said Arrowhead's chairman, Pat Kilkenny. "They recognize the value in our culture, employees and business strategy. The combination of Spectrum's financial acumen and resources with Arrowhead's market presence, management team and customer base creates a formidable force in the industry."

Mac Armstrong, a principal at Spectrum, said, "Spectrum is thrilled with the prospects of our partnership with Arrowhead's exceptional management team. Arrowhead is a tremendous company that has used a differentiated operating strategy and business model to establish market leadership and importantly position itself for long-term growth. We look forward to working with the Arrowhead team and contributing to their future success."

Financial terms of the transaction were not disclosed.

About Spectrum Equity Investors - www.SpectrumEquity.com

Spectrum Equity Investors is a private equity investor in established companies in the media, communications, information technology, and information and business services industries. Founded in 1994, Spectrum is one of the largest and fastest-growing private equity investment firms worldwide. They manage private equity funds representing \$4 billion in committed capital, and their investors include many of the world's most prominent financial institutions, university endowments, pension funds and charitable trusts. Spectrum has assisted its portfolio companies in raising over \$20 billion in debt and equity capital to finance their growth and acquisition strategies. Spectrum invests substantial amounts of capital behind strong management teams and provides long-term and active board-level assistance to those teams to help them create and realize value.

About Arrowhead General Insurance Agency, Inc. - www.ArrowheadGrp.com

Arrowhead General Insurance Agency, Inc., headquartered in San Diego, is an independent national program manager for commercial, personal and specialty lines and is one of the largest privately held general agencies in the United States. Arrowhead's partnerships with strong insurance carriers provide stability and capacity for its vast distribution network. The foundation for success at Arrowhead is entrepreneurial spirit, which encourages opportunity, innovation and growth. In January 2005, Arrowhead added to its portfolio by acquiring Cypress Point Insurance Services, Inc., a workers' compensation program specialist.

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