

EBIX INC
Form S-4/A
December 20, 2010

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As filed with the Securities and Exchange Commission on December 20, 2010

Registration No. 333-169948

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Amendment No. 2
to
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

EBIX, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7370
(Primary Standard
Industrial
Classification Code
Number)

77-0021975
(I.R.S. Employer
Identification Number)

5 Concourse Parkway, Suite 3200, Atlanta, Georgia 30328, (678) 281-2020

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Robin Raina
President & Chief Executive Officer
Ebix, Inc.
5 Concourse Parkway, Suite 3200
Atlanta, Georgia 30328
(678) 281-2020

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Richard A. Denmon
Charles M. Harrell, Jr.
Carlton Fields, P.A.
1201 West Peachtree
Street, Suite 3000
Atlanta, Georgia 30309
(404) 815-2717

Mark B. Adams
President and Chief Executive
Officer
A.D.A.M., Inc.
10 10th Street NE, Suite 525
Atlanta, Georgia 30309-3848
(404) 604-2757

Richard G. Greenstein
Jason C. Harmon
DLA Piper LLP (US)
1201 West Peachtree Street
Suite 2800
Atlanta, Georgia 30309
(404) 736-7800

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.10 per share	3,748,354(1)	N/A	\$79,241,302(2)	\$5,650(3)(4)

(1) Represents the estimated maximum number of shares of common stock of the registrant to be issued in connection with the proposed merger of A.D.A.M., Inc. (ADAM) with and into a wholly-owned subsidiary of the registrant as described herein. The number of common shares is based upon the product obtained by

multiplying
(x) the
maximum
exchange ratio
of 0.3122 by
(x) the sum of
the total number
of shares of
common stock,
par value \$0.01
per share, of
ADAM issued
and outstanding
and (b) the
number of
shares of
ADAM
common
reserved and
issuable or
available for
issuance
pursuant to
various ADAM
equity plans and
warrants, in
each case as of
October 13,
2010. In
accordance with
Rule 416 under
the Securities
Act of 1933, as
amended
(Securities Act),
this Registration
Statement also
shall register
any additional
common shares
of the Registrant
which may
become issuable
to prevent
dilution
resulting from
stock splits,
stock dividends,
or similar
transactions as
provided by

agreement relating to the merger.

- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rules 457(f)(1) and 457(c) under the Securities Act of 1933, as amended. The proposed maximum aggregate offering price for the Registrant's common stock was calculated based upon the value of shares of ADAM common stock (the securities to be cancelled in the merger) in accordance with Rule 457(c) under the Securities Act as follows: the product of (x) \$6.60, the average of the high and low sales prices of ADAM common stock, as quoted on the NASDAQ Stock Market, on October 12, 2010, and (y) 12,006,258, the estimated maximum

number of
shares of
ADAM
common stock
that may be
exchanged for
the shares of
common stock
of the registrant
being registered.

- (3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to \$71.30 per \$1,000,000 of the proposed maximum aggregate offering price.

- (4) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.

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The information in this Proxy Statement/Prospectus is not complete and may be changed. We may not sell the securities offered by this Proxy Statement/Prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This Proxy Statement/Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer, solicitation or sale is not permitted.

**PRELIMINARY SUBJECT TO COMPLETION DATED DECEMBER 20, 2010
PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT**

To the shareholders of A.D.A.M., Inc.:

The board of A.D.A.M., Inc. (ADAM) has approved a strategic merger combining ADAM with Ebix, Inc. (Ebix). We believe that the proposed merger will allow Ebix and ADAM to be better positioned to compete as a provider of software and e-commerce solutions for both the insurance industry and employers, benefits brokers, healthcare organizations and online media companies. Ebix and ADAM have entered into an Agreement and Plan of Merger under which a newly formed, direct wholly owned subsidiary of Ebix will merge with and into ADAM, with ADAM becoming a wholly owned subsidiary of Ebix.

In the proposed merger, ADAM shareholders will receive 0.3122 shares (the Exchange Ratio) of Ebix common stock for each share of ADAM common stock, subject to certain adjustments specified in the merger agreement. Based on the closing sale price for Ebix common stock on August 27, 2010, the last trading day before public announcement of the merger, the 0.3122 exchange ratio represented approximately \$6.11 in value for each share of ADAM common stock. Based on the closing sale price for Ebix common stock on [] ,2010, the latest practicable date before the printing of this Proxy Statement/Prospectus, which we refer to as this Proxy Statement/Prospectus, the 0.3122 exchange ratio represented approximately \$[] in value for each share of ADAM common stock.

The Exchange Ratio will be adjusted downward if ADAM fails to pay at or prior to closing (i) the amount of any ADAM debt owed out of ADAM s cash on hand, (ii) the amount of expenses of ADAM s financial advisor in excess of \$650,000 out of ADAM s cash on hand, or (iii) the amount of expenses of ADAM s legal counsel on this Proxy Statement/Prospectus out of ADAM s cash on hand. If there is an adjustment event, then ADAM s common shareholders will receive a number of shares of Ebix common stock equal to the aggregate merger consideration of \$65,350,000 minus (a) \$5,071,000 for ADAM options and minus (b) \$947,000 for ADAM s outstanding warrant (proportionately reduced for any option or warrant exercises, forfeitures or cancellations), minus the amounts under clauses (i), (ii) and (iii) to the extent not paid by ADAM at or prior to the closing, divided by \$19.06, which was the agreed upon value of Ebix common stock for purposes of the merger agreement. As of the date of this Proxy Statement/Prospectus, based on ADAM s current cash on hand and expected earnings before closing, ADAM does not expect that an adjustment event will occur.

Ebix common stock is listed on the NASDAQ Stock Market under the symbol EBIX. ADAM common stock is listed on the NASDAQ Stock Market under the symbol ADAM. We urge you to obtain current market quotations for the shares of Ebix and ADAM.

Your vote is very important. The merger cannot be completed unless ADAM shareholders adopt and approve the merger agreement. ADAM is holding a special meeting of its shareholders to vote on the proposals necessary to complete the merger. The enclosed Proxy Statement/Prospectus provides you with detailed information about the special meeting, the merger, the documents related to the merger, and the other business to be considered by shareholders. A copy of the merger agreement is attached as Annex A to this Proxy Statement/Prospectus. **We urge you to read this document and the Proxy Statement/Prospectus carefully, including Risk Factors beginning on page 15 for a discussion of the risks relating to the merger .**

Whether or not you plan to attend ADAM s special meeting of shareholders, please submit your proxy as soon as possible to make sure that your shares are represented at that meeting.

The ADAM board of directors has unanimously approved the merger agreement and recommends that you vote FOR the proposal to adopt and approve the merger agreement and FOR the approval of the proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies.

Mark B. Adams
President and Chief Executive Officer
A.D.A.M., Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this Proxy Statement/Prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This Proxy Statement/Prospectus is dated [] [], 2010, and is first being mailed to ADAM shareholders on or about [] [], 2010.

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10 10th Street NE, Suite 525
Atlanta, Georgia 30309

**NOTICE OF SPECIAL MEETING OF A.D.A.M. SHAREHOLDERS TO BE HELD ON FEBRUARY 4, 2011
AT 10:00 A.M., LOCAL TIME**

To the shareholders of A.D.A.M., Inc.:

A special meeting of shareholders of A.D.A.M., Inc. will be held at the offices of DLA Piper LLP (US) at One Atlantic Center, 1201 West Peachtree Street, Suite 2800, Atlanta, Georgia 30309-3450, on February 4, 2011, at 10:00 a.m., local time, for the following purposes:

1. To adopt and approve the Agreement and Plan of Merger, dated as of August 29, 2010, by and among Ebix, Inc., A.D.A.M., Inc. and Eden Acquisition Sub, Inc., as the same may be amended from time to time, and approve the merger and the other transactions described therein (the Merger Proposal).
2. To approve any motion to adjourn or postpone the special meeting to another time or place if necessary to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal listed above.
3. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

The accompanying Proxy Statement/Prospectus further describes the matters to be considered at the special meeting. A copy of the merger agreement has been included as **Annex A** to this Proxy Statement/Prospectus.

The ADAM board of directors has set November 26, 2010 as the record date for the special meeting. Only holders of record of shares of ADAM common stock at the close of business on November 26, 2010 will be entitled to notice of and to vote at the special meeting and any adjournments or postponements thereof. The special meeting will begin promptly at 10:00 a.m., local time. Check-in will begin at 9:30 a.m., local time, and you should allow ample time for check-in procedures. **To ensure your representation at the special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please submit your proxy promptly whether or not you expect to attend the special meeting.** Submitting a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote.

The ADAM board of directors recommends that you vote FOR the Merger Proposal and FOR the proposal to approve any motion to adjourn or postpone the special meeting to another time or place if necessary to solicit additional proxies.

By Order of the Board of Directors,
Mark B. Adams
President, Chief Executive Officer and Secretary
Atlanta, Georgia
[] [], 2010

PLEASE SUBMIT A PROXY FOR YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR SUBMITTING A PROXY ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT SUBMITTING A PROXY FOR YOUR SHARES, PLEASE CALL ADAM S INVESTOR RELATIONS DEPARTMENT AT 800-755-ADAM (TOLL FREE) OR 404-604-2757 OR VIA EMAIL AT PR@ADAMCORP.COM.

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REFERENCES TO ADDITIONAL INFORMATION

This document, referred to herein as the Proxy Statement/Prospectus, is the proxy statement of ADAM for its special meeting of shareholders and the prospectus of Ebix for the shares of Ebix common stock to be issued as consideration for the merger. This Proxy Statement/Prospectus incorporates by reference important business and financial information about Ebix from other documents that are not included in or delivered with this Proxy Statement/Prospectus. You can obtain documents incorporated by reference in this Proxy Statement/Prospectus, other than certain exhibits to these documents, by requesting them in writing or by telephone at the address below:

Ebix, Inc.

5 Concourse Parkway, Suite 3200

Atlanta, Georgia 30328

Attn: Investor Relations

(678) 281-2020

You also may obtain the documents incorporated by reference into this document through the Securities and Exchange Commission website at <http://www.sec.gov> or by making a request through Ebix's investor relations department by sending an email to rkerris@ebix.com.

To receive timely delivery of the documents in advance of the meeting, you should make your request no later than January 28, 2011.

You should rely only on the information contained or incorporated by reference into this Proxy Statement/Prospectus. No one has been authorized to provide you with any information that is different from that contained in, or incorporated by reference into, this Proxy Statement/Prospectus. Therefore, if anyone does give you information of this sort, you should not rely on it.

This Proxy Statement/Prospectus is dated December 20, 2010, and you should assume that the information contained herein is accurate only as of such date. You also should assume that the information incorporated by reference into this Proxy Statement/Prospectus is accurate as of the date of such document. Neither the mailing of this Proxy Statement/Prospectus to the stockholders of ADAM, nor the issuance by Ebix of shares of Ebix common stock in connection with the merger will create any implication that there has been no change in the affairs of Ebix or ADAM since the date of this Proxy Statement/Prospectus or that the information in this Proxy Statement/Prospectus or in the documents incorporated herein by reference is correct as of any time subsequent to the date hereof or the dates thereof.

This Proxy Statement/Prospectus does not constitute an offer to exchange or sell, or a solicitation of an offer to exchange or purchase, any securities, or a solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Information contained in this Proxy Statement/Prospectus regarding ADAM has been provided by ADAM and information contained in this Proxy Statement/Prospectus regarding Ebix has been provided by Ebix.

This Proxy Statement/Prospectus does not cover any resales of the Ebix common stock offered hereby to stockholders of ADAM who are deemed to be affiliates of Ebix upon the consummation of the merger. No person is authorized to make use of this Proxy Statement/Prospectus in connection with any such resales.

For a listing of the documents incorporated by reference into this Proxy Statement/Prospectus, see **Where You Can Find More Information.** on page 75.

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SUBMITTING A PROXY BY INTERNET OR BY TELEPHONE

ADAM shareholders of record on the close of business on November 26, 2010, the record date for the ADAM special meeting, may submit their proxies by telephone or Internet by following the instructions on their proxy card or voting form. If you have any questions regarding whether you are eligible to submit your proxy by telephone or by Internet, please contact ADAM S investor relations department by telephone at 800-755-ADAM (toll free) or 404-604-2757 or via email at pr@adamcorp.com.

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Annex A Agreement and Plan of Merger, dated as of August 29, 2010 by and among Ebix, Inc., Eden Acquisition Sub, Inc., and A.D.A.M., Inc.

Annex B Opinion of Needham & Company, LLC

Annex C Information Regarding A.D.A.M., Inc.

- EX-5.1
- EX-8.1
- EX-23.1
- EX-23.2
- EX-23.3
- EX-99.1
- EX-99.2

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QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers briefly address some commonly asked questions about the merger. The following questions and answers may not include all the information that is important to shareholders of ADAM. We urge shareholders to read carefully this entire Proxy Statement/Prospectus, including the annexes and the other documents referred to or incorporated by reference herein.

Q: Why am I receiving these materials?

A: ADAM and Ebix have entered into a merger agreement that is described in this document. A copy of the merger agreement is attached to this Proxy Statement/Prospectus as Annex A. In order to complete the merger, the shareholders of ADAM must vote to approve the merger agreement. ADAM will hold a special meeting of its shareholders to obtain this approval. This document contains important information about the merger, the merger agreement, the special meeting of ADAM shareholders and other related matters. We are sending you these materials to help you decide how to vote your shares of ADAM common stock with respect to the proposed merger and related transactions.

This document is a proxy statement because the ADAM board of directors is soliciting proxies from its shareholders to vote on the approval of the merger agreement, as well as other related matters set forth in the Notice of Special Meeting and described in this Proxy Statement/Prospectus, and your proxy will be used at the meeting or any adjournment or postponement of the meeting. This document is a prospectus of Ebix because Ebix will issue registered shares of Ebix common stock in exchange for shares of ADAM common stock in the merger. For ease of reference, we refer to this document as the Proxy Statement/Prospectus. The enclosed voting materials will allow you to vote your shares of ADAM common stock without attending the special meeting in person.

Q: What will happen in the merger?

A: In the proposed merger, a newly formed wholly-owned subsidiary of Ebix will merge with and into ADAM, with ADAM becoming a wholly-owned subsidiary of Ebix. As a result of the proposed merger, each share of ADAM common stock will be converted into the right to receive 0.3122 shares of Ebix common stock, subject to certain adjustments as specified in the merger agreement and described below. After giving effect to the merger and assuming there are no adjustments to the exchange ratio, current ADAM shareholders will hold, in the aggregate, approximately 8% of the outstanding common stock of Ebix.

Q: What will ADAM shareholders receive in the merger?

A: At the effective time of the merger, each issued and outstanding share of ADAM common stock will be converted into the right to receive 0.3122 shares of Ebix common stock, which we refer to as the exchange ratio. The exchange ratio is subject to adjustment if ADAM fails to pay in full at or prior to the closing out of its cash on hand any of the following items (each, an adjustment event):

its bank debt;

any expenses of its financial advisor in excess of \$650,000; or

ADAM's legal expenses related to the preparation of this Proxy Statement/Prospectus.

As of the date of this Proxy Statement/Prospectus, based on ADAM's current cash on hand and expected earnings before closing, ADAM does not expect that an adjustment event will occur. If there is an adjustment event, then the shares of Ebix common stock to be received upon the exchange of one share of ADAM common stock shall equal a ratio the numerator of which is \$65,350,000 minus (a) \$5,071,000 for ADAM options and minus (b) \$947,000 for ADAM's outstanding warrant (proportionately reduced for any option or warrant exercises, forfeitures or cancellations), minus (c) the amounts in the bullet list above to the extent not paid by ADAM at or prior to the closing, divided by \$19.06, which was the agreed upon value of Ebix common stock for purposes of the merger agreement, and the denominator of which is the number of issued and outstanding shares of ADAM common stock to be converted.

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If there is an adjustment event, then the actual exchange ratio will not be determined until the closing date, which may not be the same date as the special meeting. Only by way of example, the table below shows the adjustment to the exchange ratio based on the amount by which the items listed above exceed ADAM's available cash on hand at closing, in each case based on the number of ADAM shares outstanding on August 25, 2010 and assuming that there have been no option exercises, forfeitures or cancellations.

Amount by which Expenses Exceed Cash on Hand	Adjusted Exchange Ratio
\$0	0.3122
\$500,000	0.3096
\$1,000,000	0.3069
\$1,500,000	0.3043
\$2,000,000	0.3017
\$2,500,000	0.2990

Holders of ADAM common stock will not receive any fractional shares of Ebix common stock in the merger. Instead, the total number of shares of Ebix common stock that each holder of ADAM common stock will receive in the merger will be rounded down to the nearest whole number and a shareholder that was to receive a fractional share will receive cash for any resulting fractional share that an ADAM shareholder otherwise would be entitled to receive. The exchange agent will compile all of the fractional shares of Ebix common stock and sell them as whole shares at the then prevailing price on the NASDAQ Stock Market. Upon completion of the sale of all such shares, the exchange agent will distribute the proceeds pro rata to the individuals that were to receive fractional shares.

Q: Is the merger expected to be taxable to ADAM shareholders?

A: The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and holders of ADAM common stock are not expected to recognize any gain or loss for United States federal income tax purposes on the exchange of shares of ADAM common stock for shares of Ebix common stock in the merger, except with respect to cash received instead of fractional shares of Ebix common stock.

If the merger does not qualify as a reorganization within the meaning of Section 368(a) of the Code, the merger generally will be a taxable transaction to you, and you will generally recognize gain or loss in an amount equal to the difference, if any, between (i) the sum of the value of the Ebix common stock plus the amount of any cash received instead of fractional shares of Ebix common stock and (ii) your adjusted tax basis in the shares of ADAM common stock exchanged in the merger.

You should read Material U.S. Federal Income Tax Consequences beginning on page 45 for a more complete discussion of the United States federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. **You should consult your tax advisor to determine the tax consequences of the merger to you**

Q: When do Ebix and ADAM expect to complete the merger?

A: Ebix and ADAM expect to complete the merger after all conditions to the merger in the merger agreement are satisfied or waived, including the receipt of shareholder approval at the special meeting of ADAM and the receipt of all required regulatory approvals. Ebix and ADAM currently expect to complete the merger during the first quarter of 2011. However, it is possible that factors outside of either company's control could cause the merger to be completed at a later time or not at all.

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Q: What are the conditions to completion of the merger?

A: The obligations of ADAM and Ebix to complete the merger are subject to the satisfaction or waiver of certain closing conditions contained in the merger agreement, including the receipt of required regulatory approvals and the approval of the merger agreement by ADAM shareholders.

Q: What vote is required to approve the proposal to adopt and approve the merger agreement and approve the merger?

A: The affirmative vote of a majority of the outstanding shares of ADAM common stock entitled to vote is required to adopt and approve the merger agreement, which is referred to in this Proxy Statement/Prospectus as the Merger Proposal.

Q: How does the board of directors of ADAM recommend that I vote?

A: The ADAM board of directors recommends that ADAM shareholders vote FOR the proposal to adopt and approve the merger agreement and, as a result approve the merger, and FOR the proposal to approve any motion to adjourn or postpone the special meeting to another time or place if necessary to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the previous proposal.

Q: What if I do not vote on the matters relating to the merger?

A: Because the approval of the Merger Proposal requires the affirmative vote of a majority of the outstanding shares entitled to vote on the proposal, the failure to vote your shares in favor of the Merger Proposal for any reason whatsoever (whether by withholding your vote, by abstaining, or by failing to instruct your broker or other nominee how to vote on the Merger Proposal) will have the same effect as a vote against the Merger Proposal. If you submit a proxy but do not indicate how you want your shares to be voted on the Merger Proposal, your shares will be counted as present for purposes of determining whether a quorum exists and will be counted as voting in favor of the Merger Proposal.

Q: How do I submit a proxy?

A: You may submit a proxy before the ADAM special meeting in one of the following ways:

by telephone, using the toll free number shown on your proxy card;

via the Internet, by visiting the website shown on your proxy card; or

by mail, by completing, signing, dating, and returning the enclosed proxy card in the enclosed postage-paid envelope.

You also may cast your vote in person at the ADAM special meeting.

If your shares are held in street name, through a broker, bank, or other nominee, which institution will send you separate instructions describing the procedure for voting your shares. Street name shareholders who wish to vote at the meeting will need to obtain a proxy form from the institution that holds their shares.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this Proxy Statement/Prospectus, please submit a proxy to vote your shares as soon as possible so that your shares will be represented at the ADAM special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

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Q: When and where is the ADAM special meeting of shareholders?

A: The special meeting of ADAM shareholders will be held at the offices of DLA Piper LLP (US) at One Atlantic Center, 1201 West Peachtree Street, Suite 2800, Atlanta, Georgia 30309-3450 at 10:00 a.m., local time on February 4, 2011. Subject to space availability, all shareholders as of the record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 9:30 a.m., local time.

Q: If my shares are held in street name by a broker or other nominee, will my broker or nominee vote my shares for me?

A: Your broker or other nominee does not have authority to vote on the proposals described in this Proxy Statement/Prospectus without receiving instructions from the beneficial owner as to how the shares are to be voted. Your broker or other nominee will vote your shares held by it in street name with respect to these matters ONLY if you provide instructions to it on how to vote. You should follow the directions that your broker or other nominee provides.

Q: What constitutes a quorum?

A: Shareholders who hold a majority in voting power of the ADAM common stock issued and outstanding as of the close of business on the record date for the ADAM special meeting and who are entitled to vote must be present or represented by proxy in order to constitute a quorum to conduct business at the ADAM special meeting.

Q: May I change my vote after I have submitted my proxy?

A: Yes. You may change your vote at any time before your proxy is voted at the applicable special meeting. You may do this in one of four ways:

by sending a notice of revocation to the corporate secretary of ADAM;

by sending a completed proxy card bearing a later date than your original proxy card;

by submitting a later dated proxy via the Internet in the same manner that you submitted your earlier proxy via the Internet or by calling the telephone number specified on your proxy card, in each case if you are eligible to submit a proxy by Internet or telephone and following the instructions on the proxy card; or

by attending the ADAM special meeting and voting in person.

Your attendance at ADAM's special meeting alone will not revoke any proxy. If you choose any of the first three methods, you must take the described action no later than the beginning of the ADAM special meeting.

If your shares are held in an account at a broker or other nominee, you should contact your broker or other nominee to change your vote.

Q: Do I have appraisal rights?

A: No. Holders of ADAM common stock will not be entitled to exercise any appraisal rights in connection with the merger.

Q: Should I send in my stock certificates now?

A: No. Please do not send your stock certificates with your proxy card. You will receive written instructions from the exchange agent after the merger is completed on how to exchange your ADAM stock certificates for your shares of Ebix common stock.

Q: What if I hold ADAM stock options or other stock-based awards?

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A: Immediately prior to the merger, all outstanding ADAM stock options will be cancelled and converted into a right to receive from Ebix an amount in cash, without interest, equal to the excess, if any, of \$5.95 above the per share exercise price of such stock option multiplied by the number of shares subject to such stock option, subject to applicable tax withholding.

Q: Who should I contact if I have any questions about the merger, the proxy materials or voting power?

A: If you have any questions about the merger or if you need assistance in submitting your proxy or voting your shares or need additional copies of the Proxy Statement/Prospectus or the enclosed proxy card, you should contact ADAM S investor relations department at 800-755-ADAM (toll-free) or 404-604-2757 or via e-mail at pr@adamcorp.com.

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SUMMARY

This summary highlights selected information contained in this Proxy Statement /Prospectus and does not contain all the information that may be important to you. Each section of this summary is qualified in its entirety by reference to the full discussions of the related matters in the body of this Proxy Statement/Prospectus, and you are encouraged to read carefully this Proxy Statement/Prospectus, including the annexes, in its entirety. Additional important information is also contained in the documents incorporated by reference into this Proxy Statement/Prospectus see

Where You Can Find More Information beginning on page 75. Unless stated otherwise, all references in this Proxy Statement/Prospectus to Ebix are to Ebix, Inc., and, all references to ADAM are to A.D.A.M., Inc. and all references to the merger agreement are to the Agreement and Plan of Merger, dated as of August 29, 2010, by and among Ebix, Eden Acquisition Sub, Inc., and ADAM, a copy of which is attached as Annex A to this Proxy Statement/Prospectus.

The Merger

Each of the boards of directors of Ebix and ADAM has approved a strategic merger of Ebix and ADAM. Ebix and ADAM have entered into an Agreement and Plan of Merger under which a newly formed, direct wholly-owned, subsidiary of Ebix will merge with and into ADAM, with ADAM thereupon becoming a wholly-owned subsidiary of Ebix. In the proposed merger, ADAM shareholders will receive 0.3122 shares of Ebix common stock for each share of ADAM common stock, subject to certain adjustments specified in the merger agreement. This exchange ratio will not be adjusted to reflect ADAM or Ebix stock price changes prior to the closing. Ebix's shareholders will continue to own their existing shares and will not need to exchange them in connection with the merger.

A copy of the merger agreement is attached as **Annex A** to this Proxy Statement/Prospectus. We encourage you to read the entire merger agreement carefully because it is the principal document governing the merger. For more information on the merger agreement, see **The Merger Agreement** beginning on page 47.

The Parties

Ebix

Ebix, a Delaware corporation, is a leading international supplier of software and e-commerce solutions to the insurance industry. Ebix provides a series of application software products for the insurance industry ranging from carrier systems, agency systems and exchanges to custom software development for all entities involved in the insurance and financial industries.

Ebix's goal is to be the leading powerhouse of backend insurance transactions in the world. Its technology vision is to focus on convergence of all insurance channels, processes and entities in a manner such that data can seamlessly flow once a data entry has been made.

Ebix strives to work collaboratively with clients to develop innovative technology strategies and solutions that address specific business challenges. Ebix combines the newest technologies with its capabilities in consulting, systems design and integration, information technology and business process outsourcing, applications software, and web and application hosting to meet the individual needs of organizations.

For the fiscal year ended December 31, 2009, Ebix had revenues of \$97.69 million and net income of \$38.82 million. For the nine months ended September 30, 2010, Ebix had revenues of \$97.09 million and net income of \$43.08 million.

Ebix's corporate headquarters, including substantially all of its corporate administration and finance functions, is located in Atlanta, Georgia where it leases 15,422 square feet of commercial office space. In addition Ebix and its subsidiaries lease 5,500 square feet in Park City, Utah, 4,148 square feet in Dallas, Texas, 12,000 square feet in Herndon, Virginia, 10,800 square feet in Hemet, California, 2,156 square feet in Walnut Creek, California, 11,500 square feet in Pittsburgh, Pennsylvania, 673 square feet in St. Louis, Missouri, 5,300 square feet in Portland, Michigan, 7,000 square feet in San Diego, California, 7,800 square feet in Miami, Florida, 25,482 square feet in Pasadena, California, 4,384 square feet in Lynchburg, Virginia, and 5,289 square feet in Columbus, Ohio.

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Additionally, Ebix leases office space in New Zealand, Australia, Singapore, Canada, Japan, and China for support and sales offices. Ebix owns four facilities in India with total square footage of approximately 65,000 square feet and leases an additional two facilities.

A.D.A.M.

ADAM, a Georgia corporation, primarily provides online information and technology solutions for employers, benefits brokers, healthcare organizations and online media companies.

In addition to ADAM's health information and benefits solutions, ADAM also markets a series of anatomy and physiology products for the K-12 and undergraduate educational market.

ADAM's principal executive offices are located at 10 10th Street NE, Suite 525, Atlanta, Georgia 30309 and its telephone number is (404) 604-2757.

Merger Sub

Eden Acquisition Sub, Inc., or Merger Sub, a direct wholly-owned subsidiary of Ebix, is a Georgia corporation formed on August 26, 2010 for the purpose of effecting the merger. Upon completion of the merger, Merger Sub will merge with and into ADAM, and ADAM will become a wholly-owned subsidiary of Ebix.

Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement, including the preparation of applicable regulatory filings in connection with the merger.

What ADAM Shareholders Will Receive in the Merger

At the effective time of the merger, each outstanding share of ADAM common stock will be converted into the right to receive 0.3122 shares of Ebix common stock in the merger, subject to certain adjustments specified in the merger agreement, which we refer to as the exchange ratio.

As of the date of this Proxy Statement/Prospectus, based on ADAM's current cash on hand and expected earnings before closing, ADAM does not expect that an adjustment event will occur. If there is an adjustment event, then the actual exchange ratio will not be calculated until the closing date, which may not be the same date as the special meeting. Only by way of example, the table below shows the adjustment to the exchange ratio based on the amount by which the items listed above exceed ADAM's available

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cash on hand at closing, in each case based on the number of ADAM shares outstanding on August 25, 2010 and assuming that there have been no option exercises, forfeitures or cancellations.

Amount by which Expenses Exceed Cash on Hand	Adjusted Exchange Ratio
\$0	0.3122
\$500,000	0.3096
\$1,000,000	0.3069
\$1,500,000	0.3043
\$2,000,000	0.3017
\$2,500,000	0.2990

Holders of ADAM common stock will not receive any fractional shares of Ebix common stock in the merger. Instead, the total number of Ebix shares that each holder of ADAM common stock will receive in the merger will be rounded down to the nearest whole number and a shareholder that was to receive a fractional share will receive cash for any resulting fractional share that the ADAM shareholder otherwise would be entitled to receive. The exchange agent will compile all of the fractional shares of Ebix common stock and sell them as whole shares at the then prevailing price on the NASDAQ Stock Market. Upon completion of the sale of all such shares, the exchange agent will distribute the proceeds pro rata to the individuals that were to receive fractional shares.

Example (assuming no adjustment to the exchange ratio): If you currently own 25 shares of ADAM common stock, absent the treatment of the fractional shares described above, you would be entitled to receive (25 x 0.3122) or 7.805 shares of Ebix common stock. Since fractional shares will not be issued, you will be entitled to 7 shares of Ebix common stock. The remaining 0.805 shares will be grouped with other fractional shares and sold on the NASDAQ Stock Market as whole shares. You will then receive a check equal to your pro rata portion of the total proceeds of such sale.

The merger agreement provides for adjustments to the exchange ratio to reflect fully the effect of any stock split, stock dividend, reverse stock split, reclassification, recapitalization, or other similar transaction with respect to Ebix common stock or ADAM common stock with a record date prior to the merger.

Treatment of ADAM Options (see page 48)

Immediately prior to the merger, all outstanding ADAM stock options will be cancelled and converted into a right to receive from Ebix an amount in cash, without interest, equal to the excess, if any, of \$5.95 above the per share exercise price of such stock option multiplied by the number of shares subject to such stock option, subject to applicable tax withholding.

Recommendation of the ADAM Board of Directors (see page 28)

The ADAM board of directors unanimously (i) determined that the merger agreement and the merger are advisable and in the best interests of ADAM and its shareholders, (ii) approved the merger agreement and (iii) resolved to recommend approval and adoption of the merger agreement to the ADAM shareholders. **The ADAM board of directors recommends that ADAM shareholders vote FOR approval and adoption of the merger agreement.**

For the factors considered by the ADAM board of directors in reaching its decision to approve the merger agreement, see The Merger The ADAM Board of Directors Recommendations and Reasons for the Merger beginning on page 23 of this Proxy Statement/Prospectus.

Opinion of ADAM's Financial Advisor (see page 31)

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At a meeting of ADAM's board of directors on August 29, 2010, ADAM's financial advisor, Needham & Company, LLC (Needham & Company), delivered its oral opinion, which it subsequently confirmed in writing, to ADAM's board of directors, that, as of August 29, 2010 and based upon and subject to the assumptions and other matters described in its written opinion, the consideration to be received by the holders of ADAM common stock pursuant to the merger agreement was fair to those holders from a financial point of view.

The full text of Needham & Company's written opinion, dated August 29, 2010, which sets forth the assumptions made, procedures followed, matters considered, and qualifications and limitations on and scope of the review undertaken by Needham & Company, is attached as Annex B to this Proxy Statement/Prospectus. We urge you to read the opinion in its entirety. Needham & Company provided its opinion for the information and assistance of ADAM's board of directors in connection with the board's consideration of the transactions contemplated by the merger agreement. **Needham & Company's opinion does not address any other aspect of the merger or any related transaction and is not a recommendation as to how any ADAM shareholder should vote or act on any matter relating to the merger.**

Interests of ADAM's Directors and Executive Officers in the Merger (see page 41)

You should be aware that some of ADAM's directors and executive officers have interests in the merger that are different from, or are in addition to, the interests of ADAM shareholders generally. These interests relate to equity and equity-linked securities held by such persons; change of control severance arrangements covering ADAM's executive officers; and indemnification of ADAM's directors and officers by Ebix following the merger.

Material U.S. Federal Income Tax Consequences of the Merger (see page 45)

The merger has been structured as a tax-free reorganization for U.S. federal income tax purposes. Accordingly, holders of ADAM common stock will generally not recognize any gain or loss for U.S. federal income tax purposes on the exchange of their ADAM common stock for Ebix common stock in the merger, except for any gain or loss recognized in connection with any cash received instead of a fractional share of Ebix common stock. The companies themselves will not recognize gain or loss as a result of the merger. For further discussion, see Material U.S. Federal Income Tax Consequences below.

The U.S. federal income tax consequences described above may not apply to all holders of ADAM common stock, including certain holders specifically referred to on page 45. Your tax consequences will depend on your own situation. You should consult your tax advisor to determine the particular tax consequences of the merger to you.

Accounting Treatment of the Merger (see page 43)

The merger will be accounted for as an acquisition by Ebix of ADAM under the purchase method of accounting according to U.S. generally accepted accounting principles.

No Appraisal Rights (see page 43)

Under Section 14-2-1302 of the Georgia Business Corporation Code, the holders of ADAM common stock will not have appraisal rights in connection with the merger.

Regulatory Matters (see page 44)

Completion of the merger is conditioned upon, among other things, the receipt of antitrust approval under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (referred to herein as HSR). Ebix and ADAM have each agreed to use their reasonable best efforts to take all actions necessary, proper or advisable and to satisfy all conditions to the merger in the most expeditious manner practicable, including obtaining approval under HSR. On October 21, 2010, the FTC granted early termination of the waiting period under the HSR applicable to the merger. However, the foregoing does not require Ebix to consent, offer or agree any sale, license, assignment, transfer, divestiture or disposal of any assets, business or portion of the business of Ebix or conduct, restrict, operate, invest or otherwise change the assets, business or portion of business of Ebix or impose any restriction, requirement or limitation on the operation of the business or portion of the business of Ebix. Under the terms of the merger agreement, either party can terminate the merger agreement if the merger has not been effected by March 31, 2011. In such case, no termination fee is due. Each of Ebix and ADAM has the right to terminate the merger agreement if

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a governmental entity issues an order, decree or ruling or takes any other nonappealable final action permanently restraining, enjoining or otherwise prohibiting the merger. In this case, the terminating party would not be required to pay a termination fee.

Conditions to Completion of the Merger (see page 54)

Ebix and ADAM expect to complete the merger after all the conditions in the merger agreement are satisfied or waived, including after the receipt of shareholder approval at the special meeting of ADAM and the receipt of all required regulatory approvals. Ebix and ADAM currently expect to complete the merger during the first quarter of 2011. However, it is possible that factors outside of either company's control could cause the merger to be completed at a later time or not at all.

Each party's obligation to complete the merger is subject to the satisfaction or waiver of various conditions, including the following:

the receipt of approval from the holders of ADAM common stock;

the expiration or termination of the waiting period under HSR;

the effectiveness of the registration statement of which this Proxy Statement/Prospectus forms a part, and the registration statement not being subject to any stop order or threatened stop order;

the absence of any injunctions or legal prohibitions preventing the consummation of the merger;

the absence of any governmental restraints with respect to the merger;

the receipt of all governmental consents required by the merger agreement;

the receipt of authorization from the NASDAQ Stock Market for listing of Ebix common stock to be issued in connection with the merger.

the accuracy of the other party's representations and warranties in the merger agreement, including the other party's representation that no material adverse effect has occurred; and

the other party's compliance in all material respects with its obligations under the merger agreement.

The merger agreement provides that certain of these conditions may be waived, in whole or in part, by Ebix or ADAM. Neither Ebix nor ADAM currently expects to waive any condition to the completion of the merger.

Termination of the Agreement and Plan of Merger (see page 57)

Generally, the merger agreement may be terminated and the merger may be abandoned at any time prior to the completion of the merger (including after shareholder approval, except where expressly noted):

by mutual written consent of ADAM; Ebix and Eden Acquisition Sub, Inc.

by either ADAM or Ebix, if:

the merger is not consummated on or before March 31, 2011 (except that this right is not available to any party whose breach of any representation, warranty, covenant or agreement found in the merger agreement has been the cause of, or resulted in, such failure to consummate the merger);

a governmental entity issues, promulgates, enforces or enters a final and nonappealable law, regulation, order, writ, assessment, decision, injunction, decree, ruling or judgment or takes any other nonappealable final action in each case making illegal, permanently enjoining or otherwise permanently prohibiting the completion of the merger (except that the right is not available to any

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party whose breach of any representation, warranty, covenant or agreement found in the merger agreement has been the cause of, or resulted in, the issuance, promulgation, enforcement or entry of such prohibiting circumstance);

the required ADAM shareholder vote has not been obtained at the ADAM shareholder meeting or any adjournment or postponement thereof permitted under the merger agreement; or

the other party breaches any of its representations, warranties, covenants or agreements in the merger agreement in such a way as would cause one or more of the conditions to closing not to be satisfied, and such breach is either incurable or is not cured prior to March 31, 2011, provided that the non-breaching party must provide thirty (30) days notice of its intent to terminate pursuant to this right;

by Ebix, if:

ADAM's board of directors, or any committee thereof, makes, withdraws, amends, modifies or materially qualifies in a manner adverse to Ebix any public statement inconsistent with its recommendation that ADAM's shareholders vote in favor of the merger;

ADAM enters into or publicly announces its intention to enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other contract relating to any takeover proposal (as defined on page 57);

ADAM breaches or fails to perform in any material respect its covenants and agreements related to transactions with a buyer other than Ebix as more specifically described on pages 56 and 57;

ADAM's board of directors fails to reaffirm its recommendation of the merger as provided for in the merger agreement;

ADAM's board of directors, upon a tender offer or exchange offer from a third party, fails to send to the shareholders within ten (10) business days after such tender offer or exchange offer is received a statement reaffirming the board of directors recommendation of the merger and a recommendation that the shareholders reject such tender or exchange offer; or

ADAM or its board of directors publically announces its intentions to take any of the actions permitting Ebix to terminate the merger agreement.

by ADAM, if prior to shareholder approval of the merger, ADAM enters into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other contract relating to any takeover proposal (as defined on page 57) with respect to a superior proposal (as defined on page 57), provided that ADAM pays the termination fee referred to below and concurrently enters into such agreement.

Termination Fees and Expenses (see page 59)

ADAM is required to pay Ebix a \$3.5 million termination fee, referred to herein as the ADAM termination fee, if the merger agreement has been terminated because:

ADAM's board of directors, or any committee thereof, makes, withdraws, amends, modifies or materially qualifies in a manner adverse to Ebix any public statement inconsistent with its recommendation that ADAM's shareholders vote in favor of the merger; or

prior to ADAM shareholder approval of the merger, ADAM enters into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement,

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partnership agreement or other contract relating to any takeover proposal (as defined on page 57) with respect to a superior proposal (as defined on page 57), provided that ADAM pays the ADAM termination fee referred and concurrently enters into such agreement; or

ADAM's board of directors, or any committee thereof, recommends, or ADAM enters into or announces its intention to enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other contract relating to any takeover proposal (as defined on page 57); or

ADAM breaches or fails to perform in any material respect its covenants and agreements related to transactions with a buyer other than Ebix as more specifically described on page 55; or

prior to shareholder approval of the merger, ADAM breaches any of its representations, warranties, covenants or agreements in the merger agreement in such a way as would cause one or more of the conditions to closing not to be satisfied, and such breach is either incurable or is not cured prior to March 31, 2011, provided that Ebix must provide thirty (30) days notice of its intent to terminate the merger agreement pursuant to this right or the merger is not consummated on or before March 31, 2011 (except that this right is not available to any party whose breach of any representation, warranty, covenant or agreement found in the merger agreement has been the cause of, or resulted in, such failure to consummate the merger) or the required ADAM shareholder vote has not been obtained at the ADAM shareholder meeting or any adjournment or postponement thereof permitted under the merger agreement and, prior to such termination, a takeover proposal shall be been publicly disclosed and not withdrawn and, within twelve months after such termination, ADAM enters into a definitive agreement with respect to a takeover proposal or a takeover proposal has been consummated (provided that, for purposes of the foregoing, the references to 15% in the definition of takeover proposal on page 57 shall be changed to 50%).

Ebix is required to pay ADAM a \$3.5 million termination fee if the merger agreement has been terminated: by Ebix for a reason other than those expressly provided for in the merger agreement; or

by ADAM because of a breach by Ebix or Eden Acquisition Sub, Inc. of any of their representations, warranties, covenants or agreements in the merger agreement in such a way as would cause one or more of the conditions to closing not to be satisfied, and such breach is either incurable or is not cured prior to March 31, 2011, provided that ADAM has provided thirty (30) days notice of its intent to terminate the merger agreement pursuant to this right or the merger is not consummated on or before March 31, 2011 (except that this right is not available to any party whose breach of any representation, warranty, covenant, or agreement found in the merger agreement has been the cause of, or resulted in, such failure to consummate the merger).

No Solicitation of Other Offers (see page 55)

In the merger agreement, ADAM has agreed that it will not directly or indirectly:

solicit, initiate, or knowingly take any action to facilitate or encourage the submission of any takeover proposal or the making of any proposal that could reasonably be expected to lead to a takeover proposal, including, without limitation, amending or granting any waiver or release under any standstill or similar agreement with respect to any ADAM common stock; or

conduct or engage in any discussions or negotiations regarding, disclose any non-public information relating to ADAM, knowingly assist, participate in, facilitate or encourage any effort by any third party that is seeking to make a takeover proposal; or

amend or grant any waiver or release under any standstill or similar agreement with respect to any equity securities of ADAM or approve any transaction under the provisions of the Georgia Business Corporation Code regarding business combinations with interested shareholders; or

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enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other contract relating to any takeover proposal.

The merger agreement does not, however, prohibit ADAM from considering a bona fide written acquisition proposal from a third party if certain specified conditions are met.

Matters to be Considered at the ADAM Special Meeting (see page 22)

At the ADAM shareholder meeting, ADAM shareholders will be asked to vote on the following proposals: to adopt and approve the merger agreement and approve the merger, and

to approve any motion to adjourn or postpone the ADAM special meeting to another time or place if necessary to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal listed above.

The ADAM board of directors recommends that ADAM shareholders vote FOR all of the proposals set forth above.

Certain Differences in the Rights of Shareholders (see page 68)

The rights of ADAM shareholders and other corporate matters relating to shares of ADAM common stock are controlled by the articles of incorporation and bylaws of ADAM and the Georgia Business Corporation Code. The rights of Ebix shareholders and other corporate matters relating to Ebix common stock are controlled by the certificate of incorporation and bylaws of Ebix and the Delaware General Corporation Law. Upon consummation of the merger, ADAM shareholders will become shareholders of Ebix whose rights will be governed by the Ebix certificate of incorporation and bylaws, and the provisions of the Delaware General Corporation Law only. There are several significant differences between the Georgia Business Corporation Code and the Delaware General Corporation Law and their respective corporate governance documents.

Risk Factors (see page 15)

The merger may not achieve the expected benefits because of the risks and uncertainties discussed in the sections entitled Risk Factors beginning on page 15 and Cautionary Statement Regarding Forward-Looking Statements beginning on page 14. Such risks include risks relating to the uncertainty that Ebix and ADAM will be able to integrate their businesses successfully, uncertainties as to whether the merger will achieve expected synergies, and uncertainties relating to the performance of the combined company following the merger.

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The following tables set forth the selected historical consolidated financial and operating data for Ebix. The consolidated statements of operations data for the years ended December 31, 2007, 2008, and 2009 and the consolidated balance sheet data as of December 31, 2008 and 2009 have been derived from our audited consolidated financial statements and are included in our Annual Report on Form 10-K for the year ended December 31, 2009, which is incorporated by reference into this joint Proxy Statement/Prospectus. The selected consolidated financial and operating data as of December 31, 2005, 2006, and 2007 and for the years ended December 31, 2006 and 2005 have been derived from Ebix's audited consolidated financial statements and related notes for such years, which have not been incorporated by reference into this joint Proxy Statement/Prospectus. The selected consolidated financial data as of and for the nine months ended September 30, 2010 and 2009 have been derived from Ebix's unaudited condensed consolidated financial statements, and related notes contained in Ebix's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, which is incorporated by reference into this joint Proxy Statement/Prospectus. The results for the nine months ended September 30, 2010 and 2009 are not necessarily indicative of the results that may be expected for the entire fiscal year. Ebix's unaudited interim financial statements reflect all adjustments that management of Ebix considers necessary for fair presentation of the financial position and results of operations for such periods in accordance with U.S. generally accepted accounting principles, which we refer to as GAAP. Historical results are not necessarily indicative of the results that may be expected for any future period.

This selected consolidated financial data should be read in conjunction with Ebix's audited consolidated financial statements, the notes related thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Ebix's Annual Report on Form 10-K for the year ended December 31, 2009 and Ebix's unaudited consolidated financial statements, the notes related thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Ebix's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010. See "Where You Can Find More Information" beginning on page 75.

	2005	Year Ended December 31,			Nine Months Ended		
		2006	2007	2008	2009(1)	September 30,	2010
						2009	2010
		(In thousands, except per share data)					
Consolidated Results of Operations Data:							
Revenue	\$ 24,100	\$ 29,253	\$ 42,841	\$ 74,752	\$ 97,685	\$ 66,381	\$ 97,091
Operating income	4,650	6,712	12,801	29,264	39,256	27,400	38,849
Net income	4,322	5,965	12,666	27,314	38,822	26,725	43,075
Net income per share:							
Basic(1)	\$ 0.17	\$ 0.24	\$ 0.45	\$ 0.93	\$ 1.24	\$ 0.88	\$ 1.24
Diluted(1)	\$ 0.15	\$ 0.21	\$ 0.40	\$ 0.76	\$ 1.03	\$ 0.72	\$ 1.10
Shares used in computing per share data:							
Basic(1)	25,101	24,912	27,917	29,514	31,398	30,531	34,765
Diluted(1)	28,089	28,233	31,604	36,780	38,014	37,470	39,218
Consolidated Balance Sheet Data:							
Total assets	\$ 27,981	\$ 47,352	\$ 108,510	\$ 141,167	\$ 262,167	\$ 201,819	\$ 293,117
Debt obligations	2,813	11,952	36,647	52,192	52,487	64,310	43,145
	1,461						

Redeemable common stock								
Shareholders equity	17,501	26,166	60,678	70,142	170,743	120,874	211,878	

(1) Ebix's earnings per share and outstanding share information adjusted to reflect the effect of the 3-for-1 stock split dated January 4, 2010.

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The following selected historical consolidated financial information should be read in conjunction with ADAM's financial statements and the related notes thereto and the sections entitled, Management's Discussion and Analysis of Financial Condition and Results of Operations which is included in Annex C to this registration this Proxy Statement/Prospectus. ADAM's selected consolidated Statement of Operations data set forth below for each of the five years ended December 31, 2005, 2006, 2007, 2008, and 2009 and the Balance Sheet data as of December 31, 2005, 2006, 2007, 2008, and 2009 are derived from ADAM's consolidated financial statements, and for the nine-month period ended September 30, 2009 and 2010 as derived from ADAM's unaudited interim condensed consolidated financial statements.

The unaudited interim condensed consolidated financial statements include, in ADAM's opinion, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results of the unaudited periods. You should not rely on these interim results as being indicative of results ADAM may expect for the full year or any other interim period. Historical results are not necessarily indicative of the results to be obtained in the future.

	Year Ended December 31,					Nine Months Ended September 30,	
	2005	2006	2007	2008	2009(1)	2009	2010
	(In thousands, except per share data)						
STATEMENT OF OPERATIONS DATA:							
Revenues, net	\$ 10,054	\$ 16,505	\$ 27,878	\$ 28,857	\$ 28,161	\$ 20,732	\$ 20,348
Gross profit	7,991	13,064	21,309	22,957	21,846	16,086	16,468
Operating income (loss)	1,289	3,132	4,759	1,802	(11,521)	(11,853)	3,863
Income tax benefit (expense)	5,500		1,510		(1,336)		(148)
Net income (loss)	7,062	2,548	3,939	38	(13,335)	(12,213)	3,457
Basic net income (loss) per share	\$ 0.87	\$ 0.30	\$ 0.42	\$ 0.00	\$ (1.35)	\$ (1.24)	\$ 0.35
Weighted average number of common shares outstanding, basic	8,108	8,630	9,461	9,813	9,886	9,884	9,963
Diluted net income per share	\$ 0.75	\$ 0.25	\$ 0.38	\$ 0.00	\$ (1.35)	\$ (1.24)	\$ 0.33
Weighted average number of common shares outstanding, diluted	9,468	10,074	10,442	10,642	9,886	9,884	10,457

	Year Ended December 31,					September 30,
	2005	2006	2007	2008	2009(1)	2010
	(In thousands)					
BALANCE SHEET DATA:						
Total assets	\$ 21,880	\$ 60,138	\$ 59,970	\$ 53,146	\$ 39,456	39,262
Long-term debt		24,000	16,750	8,000	6,000	1,500
Total liabilities	4,736	36,669	30,423	21,324	20,188	14,722

Total shareholders equity	17,144	23,469	29,547	31,822	19,268	24,540
Working capital (deficit)	8,576	3,084	1,228	(5,321)	(3,835)	(3,378)

- ADAM recognized a pre-tax, non-cash impairment charge of \$13,940 for the quarter ended March 31, 2009. For more information see Note 6 of the notes to ADAM s consolidated financial statements contained in ADAM s annual report on Form 10-K for the year ended December 31, 2009, a copy of which is included as Annex C to this Proxy Statement/Prospectus.
- Restructuring costs were \$1,408 for the year ended December 31, 2009 and \$2,193 for the year ended December 31, 2008. Restructuring costs are related to ADAM s 2008 Facility Consolidation Program. For more information see Note 14 of the notes to ADAM s consolidated financial statements contained in ADAM s annual report on Form 10-K for the year ended December 31, 2009, a copy of which is included as Annex C to this Proxy Statement/Prospectus.

Table of Contents**COMPARATIVE PRO FORMA FINANCIAL INFORMATION**

The following historical and unaudited pro forma condensed combined income statement information for the year ended December 31, 2009 and the nine months ended September 30, 2010 includes the reported historical financial results of Ebix and ADAM and the historical pro forma financial results of ADAM as if this acquisition had been made on January 1, 2009. The following historical unaudited pro forma condensed combined balance sheet information as of September 30, 2010 reflects the merger as if it had occurred on September 30, 2010.

The following comparative pro forma financial information presented on combined basis is based on the historical financial information of Ebix and ADAM after giving effect to the acquisition. The pro forma financial information is based on estimates and assumptions which are preliminary and have been made solely for the purposes of developing such pro forma information. The purchase price allocation for the acquisition of ADAM is preliminary and is subject to revision. The final purchase price allocation will be based on a formal third-party valuation of identifiable intangible assets, and an in-depth analysis of the value of other assets acquired and liabilities assumed. Actual results may differ from this unaudited pro forma combined financial information once the valuation studies necessary to determine the required purchase price allocation are completed. Pro forma adjustments reflect only those adjustments that are factually supportable and do not include the impact of contingencies that will not be known until the resolution thereof. No effect has been given in this pro forma information for future synergistic benefits that may be realized through the combination of the two companies or costs that may be incurred or reduced by integrating their operations. The unaudited pro forma condensed and combined financial information should not be considered representative of Ebix's future consolidated results of operation nor should the historical results of operations be indicative of Ebix's future expected results of operations. Therefore, this unaudited pro forma financial information is for informational purposes only and is not intended to represent or be indicative of the consolidated results of operations that would be reported had the acquisition of ADAM been completed as of the dates presented.

The information below should be read in conjunction with the audited and unaudited consolidated financial statements and accompanying notes of Ebix and ADAM.

Pro Forma Condensed Income Statement Financial Information

	<i>in thousands, except per share data</i>					
	Year Ended December 31, 2009			Nine Months Ended September 30, 2010		
	Ebix As Reported	ADAM As Reported	Pro Forma Combined	Ebix As Reported	ADAM As Reported	Pro Forma Combined
Revenue	\$ 97,685	\$ 28,161	\$ 125,846	\$ 97,091	\$ 20,348	\$ 117,439
Operating income (loss) (1)	\$ 39,256	\$ (11,521)	\$ 27,236	\$ 38,849	\$ 3,863	\$ 42,160
Net income (loss) (1)	\$ 38,822	\$ (13,335)	\$ 24,810	\$ 43,075	\$ 3,457	\$ 45,884
Basic earnings (loss) per share (2)	\$ 1.24	\$ (1.35)	\$ 0.71	\$ 1.24	\$ 0.35	\$ 1.20
Diluted earnings (loss) per share (2)	\$ 1.03	\$ (1.35)	\$ 0.60	\$ 1.10	\$ 0.33	\$ 1.08
Basic weighted average shares outstanding (2) (3)	31,398	9,886	34,771	34,765	9,963	38,138
Diluted weighted average shares outstanding (2) (3)	38,014	9,886	41,387	39,218	10,457	42,591

(1) ADAM's 2009 results include a \$13.9 goodwill impairment charge, which was not deductible for

tax purposes

- (2) Ebix earnings per share and outstanding share information adjusted to reflect the effect of the 3-for-1 stock split dated January 4, 2010

- (3) The pro forma basic and diluted weighted average shares outstanding is calculated by multiplying the number of ADAM s outstanding common shares as of November 5, 2010 by the merger consideration exchange ratio of 0.3122 and adding the result to Ebix s basic and diluted weighted average shares outstanding

Table of Contents**Pro Forma Condensed Balance Sheet Financial Information**

in thousands, except per share data

As of September 30, 2010

	Ebix As Reported	ADAM As Reported	Pro Forma Combined
Cash and cash equivalents	\$ 11,263	\$ 5,688	\$ 8,706
Goodwill and intangible assets (net)	\$ 231,739	\$ 22,686	\$ 283,869
Total assets	\$ 293,117	\$ 39,262	\$ 375,874
Debt obligations (1)	\$ 43,145	\$ 3,596	\$ 43,241
Total liabilities	\$ 81,239	\$ 14,722	\$ 97,754
Retained earnings (deficit)	\$ 51,698	\$ (35,545)	\$ 48,704
Total stockholders equity	\$ 211,878	\$ 24,540	\$ 278,120
Book value per share (2) (3)	\$ 6.13	\$ 2.36	\$ 7.33
Common stock shares outstanding (2) (4)	34,588	10,388	37,960

(1) Includes capital leases

(2) Ebix common stock shares outstanding and book value per share adjusted to reflect the effect of the 3-for-1 stock split dated January 4, 2010

(3) The book value per common share is computed by dividing stockholders equity at the end of the period by the number of shares of common stock outstanding at the end of the period

(4) The pro forma shares of

common stock
outstanding is
calculated by
multiplying the
number of
ADAM s
outstanding
shares of
common stock
as of
November 5,
2010 by the
merger
consideration
exchange ratio
of 0.3122 and
adding the result
to Ebix s shares
of common
stock
outstanding

Table of Contents**MARKET PRICES AND DISTRIBUTIONS****Stock Prices**

Shares of Ebix common stock and ADAM common stock are listed on the NASDAQ Stock Market under the symbols EBIX and ADAM, respectively. The table below sets forth, in each case on August 27, 2010, the last full trading day prior to the public announcement of the merger, and on December 17, 2010, the latest practicable date before the date of this Proxy Statement/Prospectus:

the last reported sale price of a share of Ebix common stock and the last reported sale price of share of ADAM common stock, as reported by the NASDAQ Stock Market, and

the market value of ADAM common stock on an equivalent per share basis, as determined by reference to the value of the merger consideration to be received in respect of each share of ADAM common stock in the merger, based on the exchange ratio of 0.3122 per share, which is subject to adjustment as described in the merger agreement.

Date	EBIX Common Stock	ADAM Common Stock	Equivalent Price per Share of ADAM Common Stock
August 27, 2010	\$ 19.56	\$ 3.17	\$ 6.11
December 17, 2010	\$ 23.27	\$ 6.99	\$ 7.26

These prices will fluctuate prior to the special meeting and the consummation of the merger, and ADAM shareholders are urged to obtain current market quotations prior to making any decision with respect to the merger. The exchange ratio is also subject to certain adjustments specified in the merger agreement.

Dividends and Other Distributions

Ebix has never paid cash dividends on its common stock. It currently intends to retain earnings, if any, for use in its business and does not anticipate paying any cash dividends in the foreseeable future. The terms of Ebix's outstanding notes and the terms of its credit facilities restrict its ability to pay dividends.

ADAM has never paid any dividends on its common stock. It currently intends to retain earnings, if any, for use in its business and does not anticipate paying any cash dividends in the foreseeable future.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Proxy Statement/Prospectus contains or incorporates by reference a number of forward-looking statements by Ebix and ADAM, including statements relating to outlooks or expectations for earnings, revenues, expenses, asset quality, or other future financial or business performance, strategies, or expectations, or the impact of legal, regulatory, or supervisory matters on business, results of operations or financial condition. Specifically, forward looking statements may include:

statements relating to the benefits of the merger, including anticipated synergies and cost savings estimated to result from the merger;

statements relating to future business prospects, revenue, income, and financial condition; and

statements preceded by, followed by or that include the words estimate, plan, project, forecast, intend, anticipate, believe, seek, target, or similar expressions.

These statements reflect management judgments based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

Future performance cannot be ensured. Actual results may differ materially from those in the forward-looking statements. Some factors that could cause actual results to differ materially from such forward-looking statements include those set forth under Risk Factors beginning on page 15, as well as, among others, the following:

the ability to obtain governmental approvals of the merger on the proposed terms and time schedule, and without the imposition of significant conditions, obligations, or restrictions;

the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;

the risk that Ebix will not integrate the business, or its other recently acquired businesses, successfully;

the risk that expected cost savings from the merger may not be fully realized within the expected time frames or at all, and attrition in key client, partner and other relationships relating to the merger may be greater than expected;

the risk that the combined company's revenues following the merger may be lower than expected;

the effects of vigorous competition in the markets in which Ebix and ADAM operate;

the possibility of one or more of the markets in which Ebix and ADAM compete being impacted by changes in political or other factors such as monetary policy, legal, and regulatory changes or other external factors over which they have no control;

dilution to shareholders of the combined company as a result of any financing that involves equity or equity-linked securities;

changes in general economic and market conditions; and

other risks discussed, identified, or referenced from time to time in Ebix's and ADAM's public filings with the SEC.

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You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this Proxy Statement/Prospectus, or in the case of a document incorporated by reference, as of the date of that document. Except as required by law, neither Ebix nor ADAM undertakes any obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in reports filed with the SEC by Ebix and ADAM. See *Where You Can Find More Information* beginning on page 75 for a list of the documents incorporated by reference.

RISK FACTORS

In addition to the other information contained or incorporated by reference into this Proxy Statement/Prospectus, you should carefully consider the following risk factors described below in deciding how to vote on the merger. In addition, you should read and consider the risks associated with each of the businesses of Ebix and ADAM because these risks will also relate to Ebix following completion of the merger. Certain of these risks can be found in the documents incorporated by reference into this Proxy Statement/Prospectus.

Because the market price of Ebix common stock will fluctuate, ADAM shareholders cannot be sure of the market value of the Ebix common stock that they will receive.

When we complete the merger, each share of ADAM common stock will be converted into the right to receive 0.3122 shares of Ebix common stock, unless an adjustment event occurs. The exchange ratio will not be adjusted for changes in the market price of either Ebix common stock or ADAM common stock. Accordingly, the market value of the shares of Ebix common stock that ADAM shareholders will be entitled to receive when the parties complete the merger will depend on the market value of shares of Ebix common stock at the time that the parties complete the merger and could vary significantly from the market value on the date of this Proxy Statement/Prospectus or the date of the ADAM special meeting. The market value of Ebix common stock may continue to fluctuate after the completion of the merger. For example, during 2010, the sales price of Ebix common stock ranged from a low of \$13.91 to a high of \$26.28, all as reported on the NASDAQ Stock Market. See *Market Prices and Distributions* on page 13.

These variations could result from changes in the business, operations, or prospects of Ebix or ADAM prior to or following the merger, market assessments as to whether and when the merger will be consummated, regulatory considerations, general market and economic conditions, and other factors both within and beyond the control of Ebix or ADAM.

The exchange ratio is subject to change, and the exact exchange ratio is not determinable at this time.

The exchange ratio is subject to adjustment if ADAM fails to pay in full at or prior to the closing out of its cash on hand any of the following items:

its bank debt;

any expenses of its financial advisor in excess of \$650,000; or

ADAM's legal expenses related to the preparation of this Proxy Statement/Prospectus.

If there is an adjustment to the exchange ratio, then the shares of Ebix common stock to be received upon the exchange of one share of ADAM common stock shall equal a ratio the numerator of which is \$65,350,000 minus (a) \$5,071,000 for ADAM options, minus (b) \$947,000 for ADAM's outstanding warrant (proportionately reduced for any option or warrant exercises, forfeitures or cancellations), minus (c) the amounts in the bullet list above to the extent not paid by ADAM at or prior to the closing, divided by \$19.06, which was the agreed upon value of Ebix common stock for purposes of the merger agreement, and the denominator of which is the number of issued and outstanding shares of ADAM common stock to be converted.

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As a result, the exact number of shares to be delivered in the merger is not determinable at this time, since the exchange ratio used to calculate the number of shares of Ebix common stock that will be issued may vary based on the items listed above. The exchange ratio will be determined immediately prior to the closing, which may or may not occur on the same day as the special meeting.

The opinion obtained by ADAM from its financial advisor does not and will not reflect subsequent changes.

Needham & Company, the financial advisor to ADAM, has delivered a fairness opinion to the board of directors of ADAM. The opinion of Needham & Company is directed to the board of directors of ADAM and is not a recommendation to any shareholder on how to vote on the merger agreement or any other matter. The opinion, which was originally issued on August 29, 2010, states that, as of August 29, 2010 and based upon and subject to the assumptions and other matters set forth in the opinion, the consideration to be received by the holders of ADAM common stock pursuant to the merger agreement was fair to those holders from a financial point of view. The opinion does not reflect changes that may occur or may have occurred after the date of the opinion, including changes to the operations and prospects of Ebix or ADAM, changes in general market and economic conditions, changes in the market price of Ebix common stock, any adjustment to the merger consideration under the merger agreement, or regulatory or other factors. Any such changes, or changes in other factors on which the opinion was based, may alter the relative value of Ebix and ADAM.

The merger may fail to qualify as a reorganization for federal income tax purposes, resulting in your recognition of taxable gain or loss in respect of all of your ADAM common stock.

Ebix and ADAM intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986 (the Code). The Internal Revenue Service (the IRS) will not provide a ruling on the matter. If the merger fails to qualify as a reorganization, you generally would recognize gain or loss on each share of ADAM common stock surrendered in an amount equal to the difference between your adjusted tax basis in that share and the fair market value of the Ebix common stock received in exchange for that share upon completion of the merger.

Uncertainty about the merger and diversion of management could harm Ebix and ADAM, whether or not the merger is completed.

In response to the announcement of the merger, existing or prospective customers of Ebix or ADAM may delay or defer their purchasing or other decisions concerning Ebix or ADAM, or they may seek to change their existing business relationship. In addition, as a result of the announcement of the merger, current and prospective employees could experience uncertainty about their future with Ebix or ADAM, and either organization could lose key employees as a result. In addition to retention, these uncertainties may also impair each company's ability to recruit or motivate key personnel. Completion of the merger will also require a significant amount of time and attention from management. The diversion of management attention away from ongoing operations could adversely affect ongoing operations and business relationships.

Failure to complete the merger could adversely affect Ebix's and ADAM's stock prices and their future business and financial results.

Completion of the merger is conditioned upon, among other things, the receipt of HSR approval, from the SEC as to the effectiveness of the related S-4 Registration Statement and approval of ADAM's shareholders. There is no assurance that the parties will receive the necessary approvals or satisfy the other conditions to the completion of the merger. Failure to complete the proposed merger would prevent Ebix and ADAM from realizing the anticipated benefits of the merger. Each company will also remain liable for significant transaction costs, including legal, accounting, and financial advisory fees. In addition, the market price of each company's common stock may reflect various market assumptions as to whether the merger will occur. Consequently, the completion of, or failure to complete, the merger could result in a significant change in the market price of Ebix's and ADAM's common stock.

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Any delay in completion of the merger may significantly reduce the benefits expected to be obtained from the merger.

In addition to the required regulatory clearances and approvals, the merger is subject to a number of other conditions beyond the control of Ebix and ADAM that may prevent, delay, or otherwise materially adversely affect completion of the merger. See *The Merger Regulatory Matters* beginning on page 44 and *The Merger Agreement Conditions to Completion of the Merger* beginning on page 54. Ebix and ADAM cannot predict with certainty whether and when these other conditions will be satisfied. Further, the requirements for obtaining the required clearances and approvals could delay the completion of the merger for a significant period of time or prevent it from occurring. Any delay in completing the merger may significantly reduce the synergies and other benefits that Ebix and ADAM expect to achieve if they successfully complete the merger within the expected timeframe and integrate their respective businesses. In addition, either party can terminate the merger agreement if the merger has not been effected by March 31, 2011.

The anticipated benefits of the merger, including anticipated costs savings, may not be realized fully or at all or may take longer to realize than expected.

The success of the merger will depend, in part, on our ability to realize the anticipated benefits and cost savings from combining the businesses of Ebix and ADAM. However, to realize these anticipated benefits and cost savings, we must successfully combine the businesses of Ebix and ADAM. If we are not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully or at all or may take longer to realize than expected. The merger involves the integration of two companies that have previously operated independently with principal offices in two distinct locations. Due to legal restrictions, Ebix and ADAM are able to conduct only limited planning regarding the integration of the two companies prior to completion of the merger. Ebix will be required to devote significant management attention and resources to integrating the two companies. Delays in this process could adversely affect Ebix's business, financial results, financial condition, and stock price following the merger. Even if Ebix were able to integrate ADAM's business operations successfully, there can be no assurance that this integration will result in the realization of the full benefits of synergies, cost savings, innovation, and operational efficiencies that may be possible from this integration or that these benefits will be achieved within a reasonable period of time.

Additionally, as a condition to their approval of the merger, regulatory agencies may impose requirements, limitations, or costs or require divestitures or place restrictions on the conduct of the combined company's business. If Ebix and ADAM were to agree to these requirements, limitations, costs, divestitures, or restrictions, the ability to realize the anticipated benefits of the merger may be impaired.

The combined company will incur significant transaction and merger-related costs in connection with the merger.

Ebix and ADAM expect to incur significant costs associated with completing the merger and combining the operations of the two companies. The exact magnitude of these costs is not yet known. In addition, there may be unanticipated costs associated with the integration. Although Ebix and ADAM expect that the elimination of duplicative costs and other efficiencies may offset incremental transaction and merger-related costs over time, these benefits may not be achieved in the near term, or at all.

Table of Contents**Because ADAM's directors and executive officers have interests in seeing the merger completed that are different than those of ADAM's other shareholders, these persons may have conflicts of interest in recommending that ADAM shareholders vote to adopt and approve the merger agreement.**

ADAM's directors and executive officers have interests in the merger that are different from, or are in addition to, the interests of ADAM shareholders generally. This difference of interests stems from the equity-linked securities held by such persons; the change of control severance arrangements covering ADAM's executive officers under which such officers are entitled to severance payments and other benefits if their employment is terminated following the merger; Ebix's obligation under the merger agreement to indemnify ADAM's directors and officers following the merger. These and other material interests of the directors and executive officers of ADAM in the merger that are different than those of the other ADAM shareholders are described under "The Merger - Interests of ADAM's Directors and Executive Officers in the Merger" beginning on page 41.

ADAM shareholders percentage of ownership of Ebix will be much smaller than their percentage ownership of ADAM.

ADAM shareholders currently have the right to vote in the election of the board of directors of ADAM and on other matters affecting ADAM. If the merger occurs and you become a shareholder of Ebix, you will have the right to vote in the election of the board of directors of Ebix and on other matters affecting Ebix. However, your percentage ownership of Ebix will be much smaller than your percentage ownership of ADAM.

The merger agreement contains provisions that could discourage a potential alternative acquirer that might be willing to pay more to acquire ADAM.

The merger agreement contains "no shop" provisions that restrict ADAM's ability to solicit or facilitate proposals regarding a merger or similar transaction with another party. Further, there are only limited exceptions to ADAM's agreement that its board of directors will not withdraw or adversely qualify its recommendation regarding the merger agreement and the merger. Although ADAM's board of directors is permitted to terminate the merger agreement in response to an unsolicited third party proposal to acquire ADAM, which ADAM's board of directors determines to be more favorable than the merger with Ebix, if ADAM's board of directors determines that a failure to do so could reasonably be expected to result in a breach of its fiduciary duties, its doing so would entitle Ebix to collect a \$3.5 million termination fee from ADAM. In addition, Ebix is entitled to be paid the termination fee by ADAM if either Ebix or ADAM terminates the merger agreement because ADAM does not obtain its required shareholder vote and, in each case, prior to such termination a takeover proposal shall have been publicly disclosed and not withdrawn and, within twelve months after such termination, ADAM enters into a definitive agreement with respect to a takeover proposal and the termination or a takeover proposal has been consummated. We describe these provisions under "The Merger Agreement - Termination" beginning on page 57 and "The Merger Agreement - Termination Fees and Expenses" beginning on page 59.

These provisions could discourage a potential third party acquirer from considering or proposing an alternative acquisition, even if it were prepared to pay consideration with a higher value than that proposed to be paid in the merger, or might result in a potential third party acquirer proposing to pay a lower per share price than it might otherwise have proposed to pay because of the added expense of the termination fee.

Resales of shares of Ebix common stock following the merger, additional obligations to issue shares of Ebix common stock, and repurchases of common stock by Ebix may cause the market price of Ebix common stock to fluctuate.

As of December 16, 2010, Ebix had approximately 36.3 million shares of common stock outstanding and approximately 2.9 million shares of common stock subject to outstanding options and other rights to purchase or acquire its shares. Ebix currently expects that it will issue approximately up to 3.7 million shares of Ebix common

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stock in connection with the merger. The issuance of these new shares of Ebix common stock and the sale of additional shares of Ebix common stock that may become eligible for sale in the public market from time to time upon exercise of options and other equity-linked securities could have the effect of depressing the market price for shares of Ebix common stock.

Ebix previously announced that it has increased the number of shares of Ebix common stock authorized for repurchase under its share repurchase program from 5.0 million shares to 15.0 million shares. Any repurchases by Ebix could have the effect of raising or maintaining the market price of Ebix's common stock above levels that would have otherwise prevailed or preventing or slowing a decline in the market price of Ebix's common stock.

The trading price of shares of Ebix common stock after the merger may be affected by factors different from those affecting the price of shares of Ebix common stock or shares of ADAM common stock before the merger.

When the merger is completed, holders of ADAM common stock will become holders of Ebix common stock. The results of operations of Ebix, as well as the trading price of Ebix common stock, after the merger may be affected by factors different from those currently affecting Ebix's or ADAM's results of operations and the trading price of ADAM common stock. For a discussion of the businesses of Ebix and ADAM and of certain factors to consider in connection with those businesses, see the documents incorporated by reference into this Proxy Statement/Prospectus and referred to under "Where You Can Find More Information" beginning on page 75.

The shares of Ebix common stock to be received by ADAM stockholders as a result of the merger will have different rights from the shares of ADAM common stock.

Upon completion of the merger, ADAM stockholders will become Ebix stockholders and their rights as stockholders will be governed by the certificate of incorporation and bylaws of Ebix. The rights associated with ADAM common stock are different from the rights associated with Ebix common stock. Please see "Comparison of Rights of EBIX Shareholders and ADAM Shareholders" beginning on page 68 for a discussion of the different rights associated with Ebix common stock.

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ADAM SPECIAL MEETING

The ADAM board of directors is using this Proxy Statement to solicit proxies from the shareholders of ADAM at the special meeting. This Proxy Statement contains important information regarding the special meeting, the proposal on which you are being asked to vote, information you may find useful in determining how to vote, and voting procedures.

Date, Time and Place

The special meeting will be held on February 4, 2011, at 10:00 a.m., local time, at the offices of DLA Piper LLP (US) at One Atlantic Center, 1201 West Peachtree Street, Suite 2800, Atlanta, Georgia 30309-3450.

Purpose of the ADAM Special Meeting

ADAM shareholders will be asked to vote on the following proposals:

to adopt and approve the Agreement and Plan of Merger, dated as of August 29, 2010 among Ebix, ADAM, and Merger Sub, as the same may be amended from time to time, and approve the merger and other transactions described therein, a copy of which is attached as *Annex A* to this Proxy Statement, which we refer to as the Merger Proposal;

to approve any motion to adjourn or postpone the special meeting to another time or place if necessary to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal listed above; and

to conduct any other business that properly comes before the ADAM special meeting and any adjournment or postponement thereof.

ADAM Record Date; Stock Entitled to Vote

The ADAM board of directors has fixed the close of business on November 26, 2010 as the record date for determining which ADAM shareholders of common stock are entitled to notice of, and to vote at, the special meeting. On the record date, there were 11,111,212 shares of ADAM common stock outstanding, held by approximately 144 holders of record.

A complete list of shareholders entitled to vote at the ADAM special meeting will be available for examination by any ADAM shareholder at ADAM's offices located at, 10 10 Street NE, Atlanta, Georgia, 30309 for purposes pertaining to the ADAM special meeting, during normal business hours for a period of ten days before the ADAM special meeting, and at the time and place of the ADAM special meeting.

Quorum and Votes Required

A majority of the shares of ADAM common stock outstanding on the record date must be represented, either in person or by proxy, to constitute a quorum at the special meeting. Proxies marked as abstentions and broker non-votes will be used in determining the number of shares present at the special meeting. At the special meeting, each share of ADAM common stock is entitled to one vote on all matters properly submitted to ADAM shareholders.

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The affirmative vote of the holders of at least a majority of the outstanding shares of ADAM common stock outstanding on the record date is required to approve the Merger Proposal.

ADAM's board of directors recommends that ADAM shareholders vote FOR the Merger Proposal.

Voting by ADAM Directors and Executive Officers

Certain directors and executive officers of ADAM beneficially owned and were entitled to vote, or shared the right to vote, 295,248 shares of ADAM common stock, or approximately 2.7% of the total outstanding shares of ADAM common stock on the record date, and each of them has indicated his, her or its intention to vote **FOR** the Merger Proposal.

Voting Procedures

ADAM shareholders may vote by returning the enclosed proxy card by mail or in person at the special meeting. All shares of ADAM common stock represented by properly executed proxy cards received before or at the special meeting will be voted in accordance with the instructions indicated on those proxy cards.

If no instructions are indicated on a properly executed proxy, the shares will be voted **FOR** the Merger Proposal. You are urged to sign and return the proxy card even if you plan to attend the special meeting. In this way, your shares will be voted even if you are unable to attend the special meeting.

If a properly executed proxy card is returned and the shareholder has abstained from voting on the Merger Proposal, the ADAM common stock represented by the proxy will be considered present at the special meeting for purposes of determining a quorum and entitled to vote on the Merger Proposal.

If you received more than one proxy card, your shares are held in more than one account. Please sign and return all proxy cards to be sure that all your shares are voted for you by the individuals named on the proxy card.

If your shares are held in an account at a brokerage firm or bank, you must instruct them on how to vote your shares. If an executed proxy card is returned by a broker or bank holding shares that indicates that the broker or bank does not have discretionary authority to vote on the Merger Proposal, the shares will be considered present at the special meeting for purposes of determining the presence of a quorum, but will not be considered to be entitled to vote on the Merger Proposal. Your broker or bank will vote your shares only if you provide instructions on how to vote by following the information provided to you by your broker.

Because approval of the merger agreement requires the affirmative vote of the holders of a majority of ADAM's outstanding shares, any failure to vote or broker non-votes for the Merger Proposal will have the same effect as a vote against the Merger Proposal at the special meeting. Abstentions will also have the effect of a vote against the Merger Proposal.

Every ADAM shareholder's vote is important. Accordingly, each ADAM shareholder should sign, date, and return the enclosed proxy card, or vote via the Internet or by telephone, whether or not it plans to attend the ADAM special meeting in person.

Revocability of Proxies and Changes to a ADAM Shareholder's Vote

You may change your vote or revoke your proxy at any time before the special meeting. In order to do this, you must: (1) sign and return another proxy at a later date, OR (2) give written permission to the Secretary of ADAM at or before the special meeting at 10 10th Street NE, Atlanta, Georgia, 30309 OR (3) attend the special meeting and vote in person. Any one of these actions will revoke an earlier proxy from you. Merely attending the special meeting will not constitute revocation of your proxy. If your shares are held in street name by your broker, you will need to contact your broker to revoke your proxy.

However, if an ADAM shareholder has shares held through a brokerage firm, bank, or other custodian, it may revoke its instructions only by informing the custodian in accordance with any procedures it has established.

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Adjournment or Postponement

ADAM may adjourn or postpone the special meeting as set forth in ADAM's articles of incorporation or bylaws or as otherwise permitted by law.

Other Business

ADAM is not aware of any business to be acted on at the special meeting except as described in this Proxy Statement. If any other matters are properly presented at the special meeting, or any adjournment or postponement of the special meeting, the persons appointed as proxies or their substitutes will have discretion to vote or act on the matter according to their best judgment and applicable law unless the proxy indicates otherwise.

Solicitation of Proxies

Proxies may be solicited by directors, officers, and employees of ADAM by mail, by telephone, in person, or otherwise. They will receive no additional compensation for any solicitation efforts. In addition, ADAM will request banks, brokers, and other custodians, nominees, and fiduciaries to forward proxy materials to the beneficial owners of ADAM common stock and obtain voting instructions from the beneficial owners. ADAM will reimburse those firms for their reasonable expenses in forwarding proxy materials and obtaining voting instructions.

ADAM shareholders should not send in any stock certificates with their proxy card. If you are a ADAM shareholder, a transmittal letter with instructions for the surrender of your ADAM stock certificates will be mailed to you as soon as practicable after consummation of the merger.

Item 1. *The Merger Proposal*

(Item 1 on proxy card)

As discussed elsewhere in this Proxy Statement, ADAM is asking its shareholders to approve the Merger Proposal. Holders of ADAM common stock should read carefully this Proxy Statement in its entirety, including the annexes, for more detailed information concerning the merger agreement and the merger. In particular, holders of ADAM common stock are directed to the merger agreement, a copy of which is included as *Annex A* to this Proxy Statement.

The ADAM board of directors recommends a vote FOR the Merger Proposal (Item 1).

Item 2. *Possible Adjournment or Postponement of the ADAM Special Meeting*

(Item 2 on proxy card)

If, at the special meeting, the number of shares of ADAM common stock present or represented and voting in favor of the approval of the Merger Proposal is insufficient to adopt that proposal under applicable law, ADAM intends to move to adjourn the special meeting in order to enable its board of directors to solicit additional proxies in respect of the approval of the Merger Proposal. In that event, ADAM will ask its shareholders to vote only upon the adjournment proposal, and not the Merger Proposal. If the proposal to adjourn the ADAM special meeting for the purpose of soliciting additional proxies is submitted to ADAM shareholders for approval, such approval requires the affirmative vote of a majority of the votes cast on the matter.

In this proposal, ADAM is asking its shareholders to authorize the holder of any proxy solicited by the ADAM board of directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the special meeting to another time and place for the purpose of soliciting additional proxies. If the shareholders approve the adjournment proposal, ADAM could adjourn the special meeting and any adjourned session of the special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from shareholders that have previously voted.

The ADAM board of directors recommends a vote FOR this item (Item 2).

Table of Contents**THE MERGER**

The following is a discussion of the merger and the material terms of the merger agreement between Ebix and ADAM. You are urged to read carefully the merger agreement in its entirety, a copy of which is attached as Annex A to this Proxy Statement and is incorporated by reference herein.

Background of the Merger

ADAM has periodically reviewed and assessed trends and conditions impacting ADAM and its industry generally. From time to time, ADAM's board of directors has reviewed the strategic alternatives potentially available to enhance shareholder value. As leading companies in their respective lines of business, ADAM and Ebix are generally familiar with each other's business. The merger agreement is the culmination of a process that began in January 2009 when ADAM commenced a review of its strategic alternatives.

On January 23, 2009, ADAM's board of directors held a meeting during which Kevin Noland, ADAM's then President and Chief Executive Officer, presented an assessment of strategic alternatives for maintaining and improving ADAM shareholder value. Representatives from DLA Piper LLP (US) (DLA Piper), counsel to ADAM, advised the board with respect to its fiduciary duties with respect to these strategic alternatives. During this meeting representatives of ADAM's then financial advisor, Lane, Berry and Co. International, LLC (Lane Berry), presented a summary of strategic and financial alternatives and an assessment of the current environment. Following discussions, ADAM's board established a temporary executive committee consisting of Robert Cramer, Chairman of ADAM's board of directors and an independent director, and Clay Scarborough, another independent member of the board of directors, to work with ADAM's management to facilitate the company's consideration of strategic alternatives. ADAM terminated Lane Berry as its advisor on February 4, 2009.

On April 8, 2009, the executive committee, together with Mr. Noland and Mark Adams, ADAM's then Chief Financial Officer and ADAM's current President and Chief Executive Officer, met with representatives from Needham & Company to discuss ADAM's strategic alternatives. ADAM had asked Needham & Company to discuss strategic alternatives to drive future growth of the business and enhance shareholder value. Strategic alternatives discussed during the April 8, 2009 meeting included maintaining the status quo, acquiring or merging with another entity, raising equity capital, going private by partnering with a private equity firm, selling to a strategic buyer or acquiring a larger private company via a reverse merger.

On April 13, 2009, ADAM's board of directors held a meeting during which the board of directors discussed a broad range of strategic alternatives for ADAM to increase shareholder value, including the matters discussed with Needham & Company on April 8, 2009. At this time, ADAM's board determined to continue to focus on improving ADAM's fundamentals, seeking growth and preserving profitability.

On May 19, 2009, ADAM's board of directors held a meeting during which they further discussed various strategic alternatives for ADAM to increase value for its shareholders, including potential strategic business combinations and acquisitions. At this meeting, ADAM's board determined to engage Needham & Company as financial advisor to assist ADAM in evaluating strategic alternatives available to ADAM. On June 2, 2009, ADAM and Needham & Company executed an engagement letter and Needham & Company promptly commenced a preparatory review of ADAM's business and operations and ADAM's potential strategic alternatives.

On May 20, 2009, Mr. Noland met with Robin Raina, Chairman, President and Chief Executive Officer of Ebix. Mr. Noland and Mr. Raina discussed the possible synergies that could be derived from a business combination between Ebix and ADAM. These discussions did not include any pricing terms and ADAM did not further pursue discussions with Ebix regarding a potential transaction at that time.

Beginning in June 2009 and continuing through September 2009, Needham & Company contacted a targeted list of twenty potential strategic buyers and thirty-seven potential financial buyers, including parties that had previously approached ADAM regarding a potential transaction, to explore whether they had an interest in pursuing a potential transaction with ADAM. Needham & Company and ADAM identified potential strategic buyers based on the potential strategic buyers' business focus, acquisition interests and ability to consummate a

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transaction. Needham & Company and ADAM identified potential financial buyers based on the potential financial buyers' investment criteria, including their sector investment focus and target investment size. Five potential strategic buyers executed non-disclosure agreements (including Ebix and two third parties we refer to as Company A and Company B). Fifteen non-disclosure agreements were sent to potential financial buyers, eleven of which were executed.

On June 26, 2009, ADAM's board of directors held a meeting during which they approved a shareholder rights plan out of concern that ADAM's stock price might not properly reflect ADAM's intrinsic or fair value. The board of directors also continued to analyze, with assistance from Needham & Company, various strategic alternatives for ADAM to increase shareholder value, including various potential strategic business combinations or acquisitions. During this meeting, representatives from DLA Piper advised the board with respect to its fiduciary duties, the shareholder rights plan, and consideration of strategic alternatives. ADAM's board instructed management to work with Needham & Company to pursue these various alternatives and determine which of them, if any, would be attractive for ADAM's consideration. Mr. Cramer and Needham & Company also agreed to have regularly scheduled conference calls to discuss Needham & Company's progress and current assessments of alternatives and reactions from third parties.

Beginning in July 2009 and continuing through August 2009, ADAM held discussions with Company A, Company B, and Ebix regarding potential strategic alternatives and commenced preliminary due diligence.

ADAM and Company A had entered into a confidentiality agreement on October 7, 2007 and extended the term of this confidentiality agreement on July 8, 2009. In July 2009, ADAM and Company A held discussions regarding a transaction involving ADAM's online content business. As part of these discussions, ADAM and Needham met with Company A on July 28, 2009.

On April 1, 2009, ADAM entered into a confidentiality agreement with Company B. ADAM and Company B held discussions regarding a potential strategic transaction whereby Company B would acquire ADAM. In addition, Needham & Company held discussions with Company B's Chairman and members of Company B's finance team. In August 2009, Mr. Noland met with representatives from Company B. Following this meeting and further discussions, on August 17, 2009, Company B terminated discussions regarding a potential strategic transaction with ADAM.

On July 2, 2009, ADAM and Ebix entered into a confidentiality agreement (the "Confidentiality Agreement"), which included a standstill provision expiring on July 2, 2010 and provided that Ebix would not take certain actions with respect to ADAM. ADAM and Ebix held discussions regarding a potential strategic transaction whereby Ebix would acquire ADAM.

On August 6, 2009, ADAM's board of directors held a meeting during which they reviewed the status of Needham & Company's contacts with various strategic partners and potential financial buyers.

On August 10, 2009, ADAM received an offer from Ebix to acquire all of ADAM's outstanding shares of common stock on a debt-free basis for \$46.0 million, or approximately \$3.86 per share, payable in either cash or Ebix common stock valued at a fifteen-day average preceding the closing of the transaction, with a floor collar value of \$14.13 per Ebix share. The offer also required that ADAM grant Ebix exclusivity until September 30, 2009.

On August 13, 2009, ADAM's board held a meeting during which it discussed the status of the discussions with Ebix regarding its offer. Representatives from Needham & Company provided the ADAM board with an overview of Ebix's offer of August 10, 2009. At the end of the meeting, ADAM's board instructed Needham & Company to inquire if Ebix would be interested in acquiring a portion of ADAM's business as a result of the board's consideration of a potential sale of ADAM's healthcare content assets to Company A. Needham & Company and Ebix then discussed orally whether Ebix would still be interested in acquiring ADAM if the healthcare content assets were sold to a third party.

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On August 18, 2009, ADAM received a final revised offer from Ebix to acquire all of ADAM's outstanding shares of common stock on a debt-free basis for \$53.0 million, a \$7.0 million increase from the August 10, 2009 offer, payable in cash or Ebix common stock valued at a fifteen-day average preceding the closing of the transaction, with a floor collar value of \$14.13 per Ebix share. The offer also required that ADAM grant Ebix exclusivity until September 30, 2009.

Between August 20, 2009 and September 3, 2009, Needham & Company held preliminary discussions with financial buyers that had expressed interest and responded to requests for information. Some potential financial buyers expressed oral interest in pursuing a transaction with ADAM while many more were uninterested in pursuing a transaction with ADAM.

On August 24, 2009, ADAM's board of directors held a meeting during which they considered strategic alternatives for the company. Representatives from Needham & Company provided the ADAM board with an overview of Ebix's revised offer from August 18, 2009. DLA Piper advised the board with respect to its fiduciary duties with respect to the potential Ebix transaction. Following consideration of Ebix's offer by ADAM's board, ADAM's board determined to continue with the exploratory process previously started by Needham & Company. ADAM's board of directors also directed Needham & Company and DLA Piper to respond to Ebix's offer with an offer of approximately \$63.0 million on a debt-free basis.

On August 25, 2009, Needham & Company delivered ADAM's counteroffer to Ebix pursuant to which Ebix would acquire all of ADAM's outstanding shares of common stock on a debt-free basis for \$63.0 million payable in cash or Ebix common stock valued at a fifteen-day average preceding the closing of the transaction, with a floor collar value of \$14.13 per Ebix share.

On August 25, 2009, Ebix's board discussed the merits of ADAM's counteroffer.

On August 26, 2009, Ebix responded to ADAM's counteroffer by confirming that Ebix's August 18, 2009 offer was its final offer. Ebix extended the time period in which ADAM was required to respond to the offer to September 15, 2009 but did not improve the price terms of the offer. On September 15, 2009, Needham & Company communicated to Ebix that ADAM had declined the offer from Ebix.

On August 27, 2009, ADAM received an offer from Company A to acquire the assets of ADAM's healthcare content business for \$35.0 million in cash. On August 31, 2009, ADAM delivered to Company A a counteroffer of \$40.0 million in cash with respect to the sale of its healthcare content business. On September 1, 2009, Company A responded to ADAM's counteroffer with a revised proposal to acquire ADAM's healthcare content business for approximately \$40.0 million in cash. Company A's offer excluded the assets of ADAM's broker/employer business and the education business. The offer also required that ADAM grant Company A exclusivity until October 9, 2009.

On September 1, 2009, ADAM's board of directors held a meeting during which the board of directors considered Company A's offer. Representatives from Needham & Company provided the ADAM board with an overview of Company A's offer. Representatives from DLA Piper advised the board with respect to its fiduciary duties as to Company A's offer. The ADAM board noted that none of the strategic buyers contacted by Needham & Company (other than Company A and Ebix) were interested in pursuing a transaction with ADAM and eighteen of the financial buyers contacted by Needham & Company stated that they were not interested in a transaction with ADAM and four of the financial buyers contacted by Needham & Company were unresponsive. While some financial buyers expressed oral interest in August 2009, the ADAM board of directors did not believe that those financial buyers could make a more attractive offer, especially given market conditions prevalent at the time and the risks associated with such financial buyers obtaining any required financing. As a result, the ADAM board instructed ADAM's management to negotiate and enter into a non-binding letter of intent with Company A with respect to the sale of ADAM's healthcare content business. As a condition to entering into a letter of intent with Company A, Company A demanded that ADAM enter into an exclusivity agreement. On September 2, 2009, ADAM entered into an exclusivity agreement with Company A that by its terms was to expire on the earlier of the date of the execution of a definitive agreement or October 19, 2009.

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On September 3 and September 4, 2009, Needham & Company, on ADAM's behalf, notified Ebix and the potential financial buyers who had executed non-disclosure agreements that ADAM's evaluation of strategic alternatives had been suspended.

Between September 4, 2009 and October 15, 2009, Company A conducted due diligence on ADAM and counsel for Company A and DLA Piper negotiated and exchanged drafts of an asset purchase agreement with respect to ADAM's healthcare content business. On September 12, 2009, DLA Piper sent an initial draft of an asset purchase agreement to counsel for Company A. On September 17 and 18, 2009, ADAM and Company A conducted in person due diligence meetings. On September 24, 2009, ADAM received a revised draft of an asset purchase agreement from counsel for Company A. On September 30, 2009, DLA Piper sent a revised draft of an asset purchase agreement to Company A's counsel. On October 1, 2009, ADAM and Company A also held detailed discussions regarding consents of ADAM customers that would be required as a condition of closing any asset sale, together with possible tax and accounting issues in connection with the transaction. The parties also discussed a license to the continued use by ADAM of the assets in its broker/employer business and its education business.

On October 15, 2009, ADAM's board of directors held a meeting during which the members of the board discussed the status of the potential transaction with Company A. The ADAM board also directed ADAM's management to work with Needham & Company to develop a financial model to reflect ADAM's then-current business strategies for the broker/employer business and the education business and the potential uses of the proceeds from the potential transaction with Company A.

On November 6, 2009, ADAM entered into a second exclusivity agreement with Company A that by its terms was to expire on the earlier of the date of the execution of an asset purchase agreement or January 5, 2010. This exclusivity agreement also provided that ADAM could terminate the exclusivity agreement on December 7, 2009 by providing written notice to Company A.

On November 23, 2009, ADAM's board of directors held a meeting during which representatives from Needham & Company reviewed with the ADAM board of directors a summary of ADAM management's financial model following the consummation of the sale of ADAM's healthcare content business to Company A, including various scenarios and assumptions as to the use of any proceeds. Following discussion, ADAM's board determined that: (i) following such sale, ADAM would not have sufficient scale to be a viable, stand-alone public company, (ii) a dividend of the net proceeds from such a sale would result in adverse tax consequences to ADAM's shareholders, (iii) the use of proceeds for an acquisition strategy involved too many risks and uncertainties, (iv) ADAM should focus on building out its operational returns and profitability of its current business, and (v) significant issues with Company A remained to be resolved with respect to a license for ADAM to continue to use the assets in its broker/employer business and its education business. As a result, the ADAM board decided not to pursue the potential sale of ADAM's healthcare content business to Company A. Needham & Company informed Company A that ADAM had declined to pursue the potential sale of ADAM's healthcare content business to Company A. On December 7, 2009, ADAM terminated the exclusivity agreement with Company A.

On January 5, 2010, ADAM announced that Mr. Noland had resigned as President and Chief Executive Officer of ADAM and that Mr. Adams had been promoted to the position of President and Chief Executive Officer.

In January 2010, Mr. Cramer and Mr. Raina discussed a potential strategic transaction whereby Ebix would acquire all of ADAM's outstanding shares of common stock. These discussions terminated due to disagreement over valuation between ADAM and Ebix.

On March 26, 2010, ADAM's board held a meeting to consider a strategic transaction proposed by Ebix pursuant to which Ebix would acquire all of ADAM's outstanding shares of common stock on a debt-free basis for \$66.0 million, with two-thirds of the consideration payable in Ebix common stock valued at a fifteen-day average preceding the closing of the transaction and the remainder payable in cash. Ebix would have the option of paying the entire consideration in cash if its stock price at closing was less than \$16.00 per share. The offer also required that ADAM grant Ebix exclusivity until April 30, 2010. Representatives from Needham & Company provided the ADAM board with an overview of Ebix's offer. Representatives from DLA Piper advised the board with respect to its fiduciary duties as to the offer. At the conclusion of the meeting, the ADAM board decided to pursue a transaction with Ebix and authorized management to negotiate a non-binding letter of intent.

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Between March 26, 2010 and April 1, 2010, ADAM and Ebix discussed and negotiated various aspects of the non-binding letter of intent.

On March 30, 2010, Ebix's board held a meeting to discuss the ADAM transaction, and after discussion, the board provided authorization for Ebix's senior management to proceed with the proposed transaction.

On April 1, 2010, ADAM and Ebix signed a non-binding letter of intent pursuant to which Ebix would acquire all of ADAM's outstanding shares of common stock on a debt-free basis for \$66.0 million, with two-thirds of the purchase price payable in Ebix common stock valued at a fifteen-day average preceding the closing of the transaction and the remainder payable in cash. Subject to the overall limits, ADAM shareholders would be entitled to elect whether to receive Ebix common stock, cash or a combination of cash and common stock. ADAM and Ebix also amended the Confidentiality Agreement to extend the term of certain provisions, including the standstill provision, by a period of one year. The offer required that ADAM grant Ebix exclusivity until April 30, 2010. Promptly following execution of the non-binding letter of intent, Ebix commenced due diligence on ADAM, and ADAM commenced due diligence on Ebix.

On April 27, 2010, Carlton Fields, P.A. (Carlton Fields), counsel for Ebix, delivered a draft merger agreement to DLA Piper. On May 5, 2010, DLA Piper sent a revised draft of the merger agreement to Carlton Fields. During this time, ADAM and Ebix also discussed certain structural issues, including the treatment of outstanding options to purchase shares of ADAM common stock and adjustments to the merger consideration based on various cash items. DLA Piper, Carlton Fields, ADAM and Ebix continued to discuss and negotiate issues with respect to the merger agreement. On May 16, 2010, Carlton Fields delivered a revised draft of the merger agreement to DLA Piper. Following repeated discussions, the parties were unable to reach agreement on the open issues and on May 20, 2010, ADAM and Ebix terminated discussions regarding the transaction.

On August 17, 2010, Mr. Cramer and Mr. Raina discussed renewing discussions with respect to a potential strategic transaction between ADAM and Ebix. Mr. Raina indicated that Ebix was willing to consider a transaction at the same value as indicated in April 2010, even though ADAM's stock price had declined since that time. On August 18, 2010, ADAM received from Ebix a draft of a non-binding letter of intent with respect to a proposed transaction pursuant to which Ebix would acquire all of ADAM's outstanding shares on a debt-free basis for \$66.0 million of Ebix common stock, subject to certain adjustments. The offer required that ADAM grant Ebix exclusivity until August 25, 2010.

On August 20, 2010, ADAM's board held a meeting during which it discussed the negotiations with Ebix and the status of the non-binding letter of intent. Representatives from Needham & Company provided the ADAM board with an overview of Ebix's offer, including the relevant financial metrics. Representatives from DLA Piper advised the ADAM board with respect to its fiduciary duties with respect to a potential strategic transaction with Ebix. ADAM's board also discussed various strategic alternatives available to ADAM. At the conclusion of the meeting, ADAM's board directed Mr. Cramer and Mr. Adams to complete negotiation of and enter into the non-binding letter of intent. Over the following days, ADAM, with the assistance of DLA Piper, negotiated the terms of the non-binding letter of intent with Ebix, ultimately settling on merger consideration of approximately \$65.4 million, subject to certain adjustments.

On August 23, 2010, ADAM and Ebix executed a non-binding letter of intent for the proposed transaction, which granted Ebix exclusivity until August 26, 2010.

On August 24, 2010 and continuing through August 29, 2010, Ebix performed due diligence on ADAM and ADAM performed due diligence on Ebix. On August 24, 2010, Carlton Fields delivered a revised draft of the merger agreement to DLA Piper, which was based on the draft merger agreement discussed by the parties in May 2010. On August 25, 2010, DLA Piper sent a revised draft of the merger agreement to Carlton Fields.

On August 26, 2010, ADAM's board of directors held a meeting to discuss the status of the potential transaction with Ebix, focusing on issues such as termination fees and the exclusivity of certain remedies and the fact that Ebix was requiring certain adjustments to the merger consideration. The ADAM board also discussed the treatment in the merger of outstanding options to purchase shares of ADAM's common stock in the merger. Ebix had previously indicated that it was only willing to have ADAM's outstanding options exchanged for Ebix common

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stock or exchanged for a fixed cash amount to be set on the date the merger agreement was signed. Representatives from Needham & Company reviewed with ADAM's board of directors the financial aspects of these alternatives. Representatives from DLA Piper advised ADAM's board of directors on the legal aspects of these alternatives. Following the discussions with Needham & Company and DLA Piper, ADAM's board determined to have the outstanding options to purchase shares of ADAM common stock exchanged for a fixed cash amount to be set on the date the merger agreement was signed.

Over the next two days, DLA Piper and Carlton Fields continued discussions with respect to the merger agreement. On August 27, 2010, Carlton Fields delivered a revised draft of the merger agreement to DLA Piper, and DLA Piper delivered an initial draft of ADAM's disclosure schedules to Carlton Fields. On August 28, 2010, DLA Piper delivered a revised draft of the merger agreement and a revised draft of ADAM's disclosure schedules to Carlton Fields.

Throughout the day on August 28 and August 29, 2010, DLA Piper and Carlton Fields continued to negotiate the terms of the merger agreement. In the early evening of August 28, 2010, Carlton Fields delivered a draft of Ebix's disclosure schedules to the merger agreement.

On August 29, 2010, Ebix's board of directors signed a unanimous consent approving the transaction with ADAM.

On August 29, 2010, the ADAM board of directors held a meeting during which they reviewed the proposed transaction. Representatives of DLA Piper and Needham & Company were present at this meeting. DLA Piper advised the ADAM board with respect to its fiduciary duties as to the potential transaction with Ebix and reviewed the terms of the proposed merger agreement. A representative of Needham & Company then presented its financial analysis of the proposed transaction with Ebix and delivered its oral opinion (which was subsequently confirmed in writing) to the effect that, as of August 29, 2010 and based upon and subject to the limitations, qualifications and assumptions to be set forth in its written opinion, the consideration to be received by the holders of ADAM common stock pursuant to the merger agreement was fair to those holders from a financial point of view. Representatives of DLA Piper and Needham & Company responded to various questions from the ADAM board of directors. After the presentations from DLA Piper and Needham & Company, discussion ensued regarding the transaction and other strategic alternatives available to ADAM. At the conclusion of the meeting, the ADAM board of directors unanimously approved the merger agreement and recommended that the shareholders of ADAM vote in favor of the adoption and approval of the merger agreement.

Following the ADAM board meeting, representatives of DLA Piper and Carlton Fields proceeded to finalize the merger agreement and disclosure schedules during the course of the night on August 29, 2010. The merger agreement was promptly thereafter executed and the parties announced the transaction in a jointly issued press release at 8:30 a.m. Eastern Daylight Time on August 30, 2010.

The ADAM Board of Directors' Recommendations and Reasons for the Merger

The ADAM board of directors believes that the merger and the merger agreement are advisable and in the best interests of ADAM and its shareholders. Accordingly, the ADAM board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that ADAM shareholders vote FOR adoption and approval of the Merger Proposal. When ADAM's shareholders consider the ADAM board of directors' recommendation, ADAM's shareholders should be aware that ADAM's directors may have interests in the merger that may be different from, or in addition to, their interests. These interests are described in Interests of ADAM's Directors and Executive Officers in the Merger beginning on page 41.

In the course of determining that the merger and the merger agreement are advisable and in the best interests of ADAM and its shareholders, the ADAM board of directors consulted with management as well as its financial and legal advisors and considered a number of factors in making its determination, including the following:

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Merger consideration. The ADAM board of directors considered the 0.3122 shares of the combined company that ADAM shareholders will receive for each ADAM share if the merger is consummated and the adjustments set forth in the merger agreement. The ADAM board of directors concluded that such shares are likely to deliver greater long-term value to ADAM's shareholders than would be expected if ADAM remained independent. The ADAM board of directors also considered that the exchange ratio represented approximately 7% ownership in the combined company by ADAM shareholders on a pro forma basis and, based on the closing prices of Ebix's and ADAM's common stock on the NASDAQ Stock Market on August 27, 2010, corresponded to a price of approximately \$6.11 per share, a 93% premium to the closing price of ADAM common stock on that date. The ADAM board of directors further considered the fact that, subject only to the adjustments set forth in the merger agreement, the exchange ratio provides ADAM shareholders with certainty regarding the number of Ebix shares they will receive in connection with the merger, and allows them to benefit from any increase in the price of Ebix common stock during the pre-closing period.

Participation in future growth; synergies. The ADAM board of directors considered the fact that ADAM shareholders will participate in the future growth of an organization with considerably greater scale and breadth than ADAM alone and will benefit from the synergies that are expected to be realized as a result of the merger. In particular, the ADAM board of directors identified as potential strategic advantages and synergies: the fact that the combined company would have a stronger presence in the health information and insurance markets than ADAM alone; the fact that Ebix has an international footprint that ADAM lacks; the fact that the combined company would offer end-to-end health and employee benefit software services; the fact that the combined company would have opportunities to cross-sell complementary services to existing clients of the two companies; the fact that both companies are based in Atlanta, which should facilitate integration and make cost synergies even more achievable; and the fact that ADAM would no longer incur the substantial costs associated with being a public company. The ADAM board of directors also considered the fact that shares of Ebix common stock to be received would be freely transferable should ADAM's shareholders wish to sell those shares.

Review of prospects in remaining independent. The ADAM board of directors considered ADAM's financial condition, results of operations, and business and earnings prospects if it were to remain independent in light of various factors, including consolidation, increased competition, and regulatory and other developments occurring in the healthcare and benefits industries. The ADAM board of directors concluded that there were significant risks in remaining independent and that ADAM could best realize long-term shareholder value as part of a global enterprise with greater scale, resources and reach.

Extensive process. Based on the ADAM board of directors' review of ADAM's strategic alternatives and the extensive process that the board of directors conducted during the many months prior to the signing of the merger agreement, which involved contacting a significant number of parties who were believed to have a potential interest in a strategic combination with ADAM, the board of directors considered the fact that only two potential counterparties had made a proposal for a transaction with ADAM and that there was no assurance as to when or whether another favorable opportunity to engage in a strategic combination would arise.

Opinion of Needham & Company. The ADAM board of directors considered the financial analysis presented by Needham & Company and Needham & Company's opinion that, as of August 29, 2010, and based upon and subject to the assumptions and other matters described in Needham & Company's written opinion, the consideration to be received by the holders of ADAM common stock pursuant to the merger agreement was fair to those holders from a financial point of view. See "The Merger" Opinion of Financial Advisor to ADAM beginning on page 31.

Terms of the merger agreement. The ADAM board of directors considered the terms of the merger agreement, including the parties' respective representations, warranties, and covenants, the conditions to their respective obligations to complete the merger and the ability of the respective parties to terminate the merger agreement. The ADAM board of directors noted that the termination or breakup fee provisions of the merger agreement could have the effect of discouraging alternative proposals for a business

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combination involving ADAM but that such provisions are customary for transactions of this size and type. The ADAM board of directors also considered that the \$3.5 million amount of the termination fee, which amount is approximately equal to 5.3% of the equity value of ADAM at the exchange ratio based on the closing prices on August 27, 2010, was within a reasonable range, particularly in light of the process conducted by the ADAM board of directors with the assistance of Needham & Company and management. The ADAM board of directors also noted that the merger agreement permits ADAM and the ADAM board of directors to respond to a bona fide acquisition proposal that the ADAM board of directors determines is or is reasonably likely to lead to a superior proposal, subject to certain restrictions imposed by the merger agreement, and the requirement that ADAM pay Ebix the termination fee in the event that ADAM terminates the merger agreement to enter into an alternative transaction with respect to such superior proposal.

Likelihood of closing. The ADAM board of directors considered the relatively limited nature of the closing conditions included in the merger agreement, including the likelihood that the merger would be approved by the relevant regulatory authorities and that the merger would be approved by ADAM's shareholders.

Tax-free merger. The ADAM board of directors considered the fact that the merger is expected to be tax-free to ADAM shareholders for U.S. federal income tax purposes, except to the extent that ADAM shareholders recognize gain on cash received instead of any fractional shares of Ebix common stock.

Risks. The ADAM board of directors also identified and considered a number of countervailing factors and risks to ADAM, ADAM's shareholders, and the combined company that could arise from the merger, including:

the risk that the combined company will not achieve the growth or financial results anticipated or otherwise fail to deliver greater value to ADAM shareholders than they would have received had ADAM remained independent;

the challenges and costs inherent in integrating the two businesses and the time and effort that will be required from employees of both companies to successfully complete that integration;

the possibility that synergies may not be realized as a result of the merger or that they may be lower than expected;

the potential loss of customers, suppliers, and employees of the combined company following the merger or of either party during the pre-closing period;

the possibility that the merger may not be completed and the potential adverse consequences to ADAM if the merger is not completed, including the potential to depress values offered by others to ADAM in a business combination and to erode customer and employee confidence in ADAM;

the risks associated with a fixed exchange ratio, which by its nature will not compensate ADAM shareholders for any declines in the price of Ebix's stock prior to the completion of the merger;

the risk that the final exchange ratio will not be known until closing and that the exchange ratio may be adjusted downward if ADAM fails to pay at or prior to closing (i) the amount of any ADAM debt owed out of ADAM's cash on hand, (ii) the amount of expenses of ADAM's financial advisor in excess of \$650,000 out of ADAM's cash on hand, or (iii) the amount of expenses of ADAM's legal counsel as to this Proxy Statement out of ADAM's cash on hand;

the absence of any termination right in the merger agreement that would be triggered by a decrease in Ebix's stock price (or the corresponding decrease in the value of the merger consideration to be received

by ADAM shareholders);

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the fact that ADAM option holders will receive cash based on a price of \$5.95 per share of ADAM common stock on the date of the merger agreement, which may be higher or lower than the value to be received by ADAM shareholders at the closing;

the limitations imposed in the merger agreement on the conduct of ADAM's business during the pre-closing period, its ability to solicit and respond to proposals for alternative transactions, and the ability of its board of directors to change or withdraw its recommendation of the merger;

the \$3.5 million termination fee payable to Ebix if the merger agreement is terminated under certain circumstances, and the potential effect that such termination fee may have on deterring other potential acquirers from proposing an alternative transaction that would be more advantageous to ADAM shareholders; and

the potential conflicts of interest of ADAM's directors and executive officers, as described in the section entitled "Interests of ADAM's Directors and Executive Officers in the Merger" beginning on page 41.

The foregoing discussion of the information and factors considered by the ADAM board of directors is not intended to be exhaustive but includes the material factors considered by the ADAM board of directors. In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the ADAM board of directors did not find it useful to and did not attempt to quantify, rank, or otherwise assign relative weights to these factors. In addition, the ADAM board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, but rather the ADAM board of directors conducted an overall analysis of the factors described above, including discussions with ADAM's management and its financial and legal advisors. In considering the factors described above, individual members of the ADAM board of directors may have given different weights to different factors.

Opinion of Financial Advisor to ADAM

ADAM retained Needham & Company to act as financial advisor in connection with the merger and to render an opinion as to the fairness, from a financial point of view, to the holders of ADAM common stock of the consideration to be received by those holders pursuant to the merger agreement. Under the merger agreement, each issued and outstanding share of ADAM common stock, other than shares owned by ADAM or any subsidiary of ADAM, will be converted into the right to receive a number of shares of Ebix common stock equal to the exchange ratio (such number of shares so issuable, the "consideration").

On August 29, 2010, Needham & Company delivered its oral opinion, which it subsequently confirmed in writing, to the ADAM board of directors that, as of that date and based upon and subject to the assumptions and other matters described in the written opinion, the consideration to be received by the holders of ADAM common stock pursuant to the merger agreement was fair to those holders from a financial point of view. **Needham & Company provided its opinion for the information and assistance of the ADAM board of directors in connection with and for the purpose of the board's evaluation of the transactions contemplated by the merger agreement. Needham & Company's opinion relates only to the fairness, from a financial point of view, to the holders of ADAM common stock of the consideration, which was determined through arm's length negotiations between ADAM and Ebix and not by Needham & Company. While Needham & Company provided independent financial advice to the ADAM board of directors during the course of negotiations between ADAM and Ebix, the decision to approve and recommend the merger was made independently by the ADAM board. Needham & Company's opinion does not address any other aspect of the merger, or any related transaction, and does not constitute a recommendation to any shareholder of ADAM as to how that shareholder should vote or act on any matter relating to the merger.**

The complete text of Needham & Company's opinion, which sets forth the assumptions made, procedures followed, matters considered, and qualifications and limitations on and scope of the review undertaken by

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Needham & Company, is attached to this Proxy Statement/Prospectus as Annex B. The summary of Needham & Company's opinion set forth below is qualified in its entirety by reference to the full text of the opinion. **ADAM shareholders should read this opinion carefully and in its entirety.**

In arriving at its opinion, Needham & Company, among other things:
reviewed a draft of the merger agreement dated August 28, 2010;

reviewed certain publicly available information concerning Ebix and ADAM and certain other relevant financial and operating data of Ebix and ADAM furnished to Needham & Company by Ebix and ADAM;

reviewed the historical stock prices and trading volumes of Ebix common stock and ADAM common stock;

held discussions with members of management of Ebix and ADAM concerning the current operations of and future business prospects for Ebix and ADAM and joint prospects for the combined companies, including the potential cost savings and other synergies that may be achieved by the combined companies;

reviewed certain financial forecasts with respect to Ebix and ADAM prepared by the respective managements of those companies and held discussions with members of management concerning those forecasts;

compared certain publicly available financial data of companies whose securities are traded in the public markets and that Needham & Company deemed relevant to similar data for ADAM;

reviewed the financial terms of certain other business combinations that Needham & Company deemed generally relevant; and

reviewed such other financial studies and analyses and considered such other matters as Needham & Company deemed appropriate.

In connection with its review and in arriving at its opinion, Needham & Company assumed and relied on the accuracy and completeness of all of the financial, accounting, legal, tax and other information discussed with or reviewed by it for purposes of its opinion and did not independently verify, nor did Needham & Company assume responsibility for independent verification of, any of that information. Needham & Company assumed the accuracy of the representations and warranties contained in the merger agreement and all agreements related thereto. In addition, Needham & Company assumed that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code and will be consummated on the terms and subject to the conditions set forth in the draft merger agreement furnished to Needham & Company without waiver, modification or amendment of any material term, condition or agreement thereof and that, in the course of obtaining the necessary regulatory or third party approvals, consents, and releases for the merger, no delay, limitation, restriction, or condition will be imposed that would have an adverse effect on Ebix, ADAM or the contemplated benefits of the merger. Needham & Company also assumed, with the ADAM board's consent, that no adjustment will be made to the initial exchange ratio of 0.3122 pursuant to the terms of the merger agreement. This 0.3122 exchange ratio is referred to in this discussion as the assumed exchange ratio. In addition, Needham & Company assumed that the financial forecasts for Ebix and ADAM provided to Needham & Company by Ebix and ADAM management were reasonably prepared on bases reflecting the best currently available estimates and judgments of management, at the time of preparation, of the future operating and financial performance of Ebix and ADAM and the combined companies, and Needham & Company relied, without independent verification, upon the estimates of Ebix and ADAM management of the potential cost savings and other synergies, including the amount and timing thereof, that may be achieved as a result of the merger. Needham & Company expressed no opinion with respect to any of those forecasts, including those costs savings and other synergies, or the assumptions on which they were based.

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Needham & Company did not assume any responsibility for or make or obtain any independent evaluation, appraisal or physical inspection of the assets or liabilities of Ebix or ADAM nor did Needham & Company evaluate the solvency or fair value of Ebix or ADAM under any state or federal laws relating to bankruptcy, insolvency, or similar matters. Needham & Company's opinion states that it was based on economic, monetary and market conditions as they existed and could be evaluated as of its date, and Needham & Company assumed no responsibility to update or revise its opinion based upon circumstances and events occurring after its date. Needham & Company's opinion is limited to the fairness, from a financial point of view, to the holders of ADAM common stock of the consideration to be received by those holders pursuant to the merger agreement and Needham & Company expressed no opinion as to the fairness of the merger to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of ADAM, or as to ADAM's underlying business decision to engage in the merger or the relative merits of the merger as compared to other business strategies that might be available to ADAM. In addition, Needham & Company expressed no opinion with respect to the amount or nature or any other aspect of any compensation payable to or to be received by any officers, directors, or employees of any party to the merger, or any class of those persons, relative to the consideration to be received by the holders of ADAM common stock pursuant to the merger agreement or with respect to the fairness of any such compensation. Needham & Company did not express any opinion as to what the value of Ebix common stock will be when issued pursuant to the merger or the prices at which Ebix common stock or ADAM common stock will actually trade at any time.

ADAM imposed no limitations on Needham & Company with respect to the investigations made or procedures followed by Needham & Company in rendering its opinion.

In preparing its opinion, Needham & Company performed a variety of financial and comparative analyses. The following paragraphs summarize the material financial analyses performed by Needham & Company in arriving at its opinion. The order of analyses described does not represent relative importance or weight given to those analyses by Needham & Company. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by Needham & Company, the tables must be read together with the full text of each summary. The following quantitative information, to the extent it is based on market data, is, except as otherwise indicated, based on market data as it existed on or prior to August 27, 2010 and is not necessarily indicative of current or future market conditions.

Historical Stock Trading and Exchange Ratio Analysis. Needham & Company reviewed the historical trading prices of Ebix common stock and ADAM common stock as of and for various periods ending on August 27, 2010, the last full trading day prior to the date of Needham & Company's opinion, in order to determine the various implied exchange ratio premiums or discounts that existed for those periods. The following table presents:

the average stock price ratios for August 27, 2010, and the three month, six month, 12 month, two year and five year periods ending on August 27, 2010. Average stock price ratio data represents the daily closing price of ADAM common stock divided by the daily closing price of Ebix common stock averaged over the respective periods; and

the implied exchange ratio premium (discount) to the average stock price ratio, which is equal to the percentage by which the assumed exchange ratio (0.3122 shares of Ebix common stock for each share of ADAM common stock) exceeds (or is less than) the average stock price ratio for the specified periods.

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Date or Period	Average Stock Price Ratio	Implied Exchange Ratio Premium (Discount)
August 27, 2010	0.1621	92.6%
Three month	0.2003	55.9%
Six month	0.2206	41.5%
Twelve month	0.2226	40.3%
Two year	0.3087	1.1%
Five year	1.4206	(78.0%)

Contribution Analysis. Needham & Company reviewed and analyzed the implied percentage contribution of each of Ebix and ADAM to pro forma combined operating results for the last reported 12 months ended June 30, 2010 and pro forma projected fiscal year 2010 and fiscal year 2011 combined operating results. In calculating the pro forma projected combined operating results, Needham & Company used estimates provided by Ebix and ADAM management. Needham & Company reviewed, among other things, the implied percentage contributions to pro forma combined revenues, gross profit, earnings before interest, taxes, depreciation, amortization, and stock compensation expense, or adjusted EBITDA, earnings before interest and taxes, or EBIT, and net income. The following tables present the results of this analysis and the estimated percentage ownership of the combined company on a pro forma basis by the Ebix shareholders and the ADAM shareholders and estimated pro forma enterprise value contributions of Ebix and ADAM, based on the assumed exchange ratio of 0.3122. In calculating pro forma equity ownership and enterprise value contributions, Needham & Company assumed that outstanding options to purchase ADAM common stock would remain outstanding and would not be cashed out in the merger, used the treasury stock method to calculate the number of pro forma shares of Ebix common stock outstanding, and assumed conversion of all outstanding Ebix convertible debt.

	Implied Actual/Estimated Percentage Contribution	
	Ebix	ADAM
Pro forma combined revenues		
Last 12 months	80.9%	19.1%
2010E	82.2%	17.8%
2011E	82.1%	17.9%
Pro forma combined gross profit		
Last 12 months	80.6%	19.4%
2010E	82.3%	17.7%
2011E	83.0%	17.0%
Pro forma combined adjusted EBITDA		
Last 12 months	88.2%	11.8%
2010E	89.1%	10.9%
2011E	89.5%	10.5%
Pro forma combined EBIT		
Last 12 months	92.3%	7.7%
2010E	93.0%	7.0%
2011E	93.8%	6.2%
Pro forma combined net income		
Last 12 months	95.7%	4.3%
2010E	92.6%	7.4%
2011E	93.2%	6.8%

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	Estimated Pro Forma Percentage Contribution	
	Ebix	ADAM
Pro forma equity ownership contribution	92.1%	7.9%
Pro forma enterprise value contribution	92.0%	8.0%

The results of the contribution analysis are not necessarily indicative of the contributions that the respective businesses may have in the future.

Accretion/Dilution Analysis. Needham & Company prepared pro forma analyses of the financial impact of the merger based on the assumed exchange ratio, estimated financial results of Ebix and ADAM for 2011, and estimated transaction fees, and assuming cost savings and other synergies resulting from the merger. The estimated financial results, transaction fees, cost savings, and other synergies were based upon Ebix and ADAM managements' estimates. Based upon these estimates and assumptions, Needham & Company noted that the merger would result in accretion to the estimated earnings per share of Ebix for 2011. The actual operating or financial results achieved by the combined entity may vary from estimated results, and these variations may be material.

Selected Companies Analysis. Using publicly available information, Needham & Company compared selected historical and projected financial and market data ratios for ADAM to the corresponding data and ratios of publicly traded companies that Needham & Company deemed relevant because they have lines of businesses that may be considered similar to ADAM's lines of business. These companies, referred to as the selected companies, consisted of the following:

Ebix, Inc.
eDiets.com, Inc.
eHealth, Inc.
HealthStream, Inc.
InsWeb Corporation
Kenexa Corporation
Taleo Corporation
Workstream Inc.

The following table sets forth information concerning the following multiples for the selected companies and for ADAM:

- enterprise value as a multiple of last 12 months, or LTM, revenues;
- enterprise value as a multiple of projected calendar year 2010 revenues;
- enterprise value as a multiple of projected calendar year 2011 revenues;
- enterprise value as a multiple of LTM adjusted EBITDA;
- enterprise value as a multiple of projected calendar year 2010 adjusted EBITDA;
- enterprise value as a multiple of projected calendar year 2011 adjusted EBITDA;
- price as a multiple of LTM earnings per share, or EPS;
- price as a multiple of projected calendar year 2010 EPS;

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price as a multiple of projected calendar year 2011 EPS; and

price as a multiple of book value.

Needham & Company calculated multiples for the selected companies based on the closing stock prices of those companies on August 27, 2010 and for ADAM based on the Ebix closing stock price of \$19.56 on August 27, 2010 and the assumed exchange ratio of 0.3122.

		Selected Companies			ADAM Implied by Merger
	High	Low	Mean	Median	
Enterprise value to LTM revenues	6.6x	0.4x	2.2x	1.4x	2.4x
Enterprise value to projected calendar year 2010 revenues	5.8x	0.7x	2.3x	1.4x	2.3x
Enterprise value to projected calendar year 2011 revenues	5.2x	0.6x	2.1x	1.2x	2.1x
Enterprise value to LTM adjusted EBITDA	20.8x	3.1x	10.5x	8.5x	9.4x
Enterprise value to projected calendar year 2010 adjusted EBITDA	16.4x	3.2x	9.5x	7.7x	9.0x
Enterprise value to projected calendar year 2011 adjusted EBITDA	13.9x	3.2x	8.0x	6.3x	8.0x
Price to LTM EPS	93.2x	8.1x	40.7x	30.8x	28.8x
Price to projected calendar year 2010 EPS	37.3x	15.2x	23.9x	20.8x	17.0x
Price to projected calendar year 2011 EPS	30.1x	13.6x	19.4x	16.2x	15.3x
Price to book value	3.6x	1.5x	2.5x	2.4x	3.0x

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Selected Transactions Analysis. Needham & Company analyzed publicly available financial information for the following selected merger and acquisition transactions, which represent transactions completed since January 1, 2008 that involved target companies that were involved in healthcare management and online content businesses with enterprise values of less than \$750 million:

Acquirer	Target
OMERS Private Equity Inc.	Logibec Groupe Informatique Ltd.
K12 Inc.	KC Distance Learning, Inc.
CCMP Capital Advisors LLC	infoGROUP Inc.
Thoma Bravo, LLC	PLATO Learning, Inc.
Blackboard Inc.	ANGEL Learning, Inc.
Automatic Data Processing, Inc.	OneClickHR plc
Apax Partners, L.P.	Bankrate, Inc.
Vista Equity Partners LLC	SumTotal Systems, Inc.
TriNet Group, Inc. (General Atlantic LLC)	Gevity HR, Inc.
Autonomy Corporation plc	Interwoven, Inc.
Health Care Service Corporation	MEDecision, Inc.
Alterian plc	Mediasurface plc
Taleo Corporation	Vurv Technology, Inc.
SXC Health Solutions Corp.	National Medical Health Card Systems, Inc.

In reviewing the selected transactions, Needham & Company calculated, for the selected transactions and for ADAM implied by the merger, enterprise value as a multiple of LTM revenues; and

enterprise value as a multiple of LTM adjusted EBITDA.

Needham & Company calculated multiples for ADAM based on the Ebix closing stock price of \$19.56 on August 27, 2010 and the assumed exchange ratio of 0.3122.

The following table sets forth information concerning the multiples described above for the selected transactions and the same multiples implied by the merger.

	Selected Transactions				ADAM Implied by Merger
	High	Low	Mean	Median	
Enterprise value to LTM revenues	4.5x	0.1x	2.0x	2.1x	2.4x
Enterprise value to LTM adjusted EBITDA	27.4x	2.5x	12.4x	10.6x	9.4x

Premiums Paid Analysis. Needham & Company analyzed publicly available financial information for 21 merger and acquisition transactions, which represent transactions announced and closed between January 1, 2007 and August 27, 2010 that involved all stock consideration, equity values between \$10 million and \$1 billion, and acquired companies that were publicly-traded technology and technology-enabled service companies. In reviewing these transactions, Needham & Company analyzed the premium of consideration offered to the acquired company's stock price one trading day, five trading days, and 30 trading days prior to the announcement of the transaction.

Needham & Company calculated premiums for ADAM based on the Ebix closing stock price of \$19.56 on August 27, 2010 and the assumed exchange ratio of 0.3122. The following table sets forth information concerning the stock price premiums in the selected transactions and the stock price premiums implied by the merger.

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	Selected Transactions				Ebix / ADAM
	High	Low	Mean	Median	Merger
One trading day stock price premium	195.2%	2.3%	45.9%	38.0%	92.7%
Five trading day stock price premium	187.5%	(0.9%)	48.0%	44.9%	88.0%
30 trading day stock price premium	269.0%	(6.1%)	54.1%	43.5%	89.2%

Discounted Cash Flow Analysis. Needham & Company performed an illustrative discounted cash flow analysis to determine indicators of illustrative implied equity values for ADAM and illustrative implied equity values per share of ADAM common stock based on ADAM management's financial forecasts. Needham & Company calculated a range of indications of the present value of unlevered free cash flows for ADAM for projected 2011 and 2012 using discount rates ranging from 12.5% to 17.5%. Needham & Company then calculated a range of illustrative terminal enterprise values by applying assumed perpetual growth rates ranging from 0.0% to 4.0% to management's estimate of ADAM's 2012 unlevered free cash flow. These illustrative terminal enterprise values were then discounted to calculate ranges of implied indications of present values using discount rates ranging from 12.5% to 17.5%. Needham & Company then added the ranges of the implied present values of ADAM's unlevered free cash flows for the projected years to the ranges of implied present values of ADAM's terminal enterprise values to derive ranges of implied present enterprise values of ADAM. After adding net cash and subtracting assumed debt to derive ranges of implied present equity values, these amounts were divided by the number of fully diluted shares outstanding to derive a range of illustrative implied equity values per share of \$3.65 to \$7.14, with a midpoint of \$4.81. Needham & Company noted that the per share value implied by the assumed exchange ratio of 0.3122 and the Ebix closing stock price on August 27, 2010 of \$19.56 was \$6.11.

No company, transaction, or business used in the Selected Companies Analysis, Selected Transactions Analysis or Premiums Paid Analysis as a comparison is identical to Ebix, ADAM, or the merger. Accordingly, an evaluation of the results of these analyses is not entirely mathematical; rather, it involves complex considerations and judgments concerning differences in the financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the selected companies or selected transactions or the business segment, company or transaction to which they are being compared.

The summary set forth above does not purport to be a complete description of the analyses performed by Needham & Company in connection with the rendering of its opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant quantitative and qualitative methods of financial analyses and the application of those methods to the particular circumstances and, therefore, such an opinion is not readily susceptible to summary description. Accordingly, Needham & Company believes that its analyses must be considered as a whole and that selecting portions of its analyses or the factors it considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying its analyses and opinion. Needham & Company did not attribute any specific weight to any factor or analysis considered by it. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis.

In performing its analyses, Needham & Company made numerous assumptions with respect to industry performance, general business, and economic conditions and other matters, many of which are beyond Ebix's or ADAM's control. Any estimates contained in or underlying these analyses, including estimates of future performance, are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those estimates. Additionally, analyses relating to the values of businesses or assets do not purport to be appraisals or necessarily reflect the prices at which businesses or assets may actually be sold or the prices at which any securities have traded or may trade at any time in the future. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. Needham & Company's opinion and its related analyses were only one of many factors considered by ADAM's board of directors in their evaluation of the merger and should not be viewed as determinative of the views of ADAM's board of directors or management with respect to the consideration or the merger.

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Under the terms of its engagement letter with Needham & Company, ADAM has paid Needham & Company a retainer fee of \$60,000 and will pay a nonrefundable fee of \$150,000 for rendering the Needham & Company opinion. If the merger is consummated, ADAM has agreed to pay Needham & Company an additional fee of 2.0% of the aggregate purchase price paid in the merger, against which the \$60,000 retainer fee would be credited. If the merger were consummated on December 17, 2010, the total fees payable to Needham & Company, including the fee for rendering the Needham & Company opinion, would be approximately \$1.9 million. Whether or not the merger is consummated, ADAM has agreed to reimburse Needham & Company for certain of its out-of-pocket expenses and to indemnify Needham & Company and related persons against various liabilities, including certain liabilities under the federal securities laws.

Needham & Company is a nationally recognized investment banking firm. As part of its investment banking services, Needham & Company is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of securities, private placements, and other purposes. Needham & Company was retained by the ADAM board of directors to act as its financial advisor based on Needham & Company's experience as a financial advisor in mergers and acquisitions as well as Needham & Company's familiarity with ADAM and its industry generally. Needham & Company has not had any other investment banking relationship with Ebix or ADAM during the past two years. Needham & Company may in the future provide investment banking and financial advisory services to Ebix, ADAM, or their respective affiliates unrelated to the merger, for which services Needham & Company would expect to receive compensation. In the normal course of its business, Needham & Company may actively trade the equity securities of Ebix and ADAM for its own account or for the account of its customers and, therefore, may at any time hold a long or short position in those securities.

The Ebix Board of Directors Reasons for the Merger

In the course of determining that the merger and the merger agreement are advisable and in the best interests of Ebix and its shareholders, Ebix's management and board of directors considered a number of factors in making its determination, including the following:

belief that the business combination with ADAM will enable Ebix to offer and provide end-to-end health and employee benefit software services;

expectation that the combined companies would be able to offer ADAM's content syndication services, presently offered only in the United States, to an international customer base spread across six continents;

expectation that the combined businesses will be able to cross-sell each other's services to their existing customer bases; for example selling ADAM's benefit portals to Ebix's existing backend clients and vice versa;

belief that the completed merger will drive considerable cost benefits from the resulting synergies;

the fact that both companies are headquartered in Atlanta, which is expected to facilitate efficient integration and the realization of anticipated cost reductions;

ADAM would no longer have to incur the costs of being a public registrant, resulting in substantial cost reduction to the combined company;

belief that the combined businesses would have considerable greater scale and market breadth than either company alone; and

expectation that the combined company's end to end solution offerings would enable the merged businesses to be a player in large deals that require end to end health insurance expertise, a market that was unavailable to each of the companies individually.

Taking all the above factors into consideration, Ebix's management and board of directors ultimately determined that its best option was to pursue a business combination with ADAM.

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The Ebix board of directors also considered a variety of other factors and risks concerning the merger, including the following:

the information concerning Ebix's and ADAM's respective historic businesses, financial results, and prospects, including the result of Ebix's due diligence review of ADAM;

Ebix's assessments that ADAM's business can effectively and efficiently be integrated;

Ebix's assessment of its ability to drive revenue growth given the market dynamics for ADAM's analog and memory products offering;

the favorable tax synergies that may be achievable in light of ADAM's significant sales outside the United States;

the exchange ratio of 0.3122 shares of Ebix common stock for each share of ADAM common stock and the fact that the exchange ratio is fixed and will not fluctuate based upon changes in Ebix's stock price between signing and closing, reflecting the strategic purpose of the merger and consistent with market practice for a merger of this type;

the fact that the merger consideration is Ebix common stock, and Ebix did not therefore need to utilize cash or incur additional debt to finance the purchase price;

the relatively small size of the transaction, which limits Ebix's downside risk;

the terms of the merger agreement, including Ebix's right to receive a termination fee of \$3.5 million if ADAM terminates the merger agreement in order to accept a superior proposal;

the challenges and costs of integrating ADAM's business into Ebix in light of Ebix's ongoing integration of its other recent acquisitions;

the potential for diversion of management and employee attention from other strategic priorities and for increased employee attrition both before and after the closing of the merger, and the potential effect on Ebix's business and relations with customers and suppliers;

the fees and expenses associated with completing the merger; and

the risk that anticipated cost savings will not be achieved.

The foregoing discussion of the factors considered by Ebix's board of directors is not intended to be exhaustive but summarizes the material factors and risks considered by Ebix's board of directors in making its determination to approve the merger agreement and the merger. In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the Ebix board of directors did not find it useful to, and did not attempt to, quantify, rank, or otherwise assign relative weights to these factors. In considering the factors described above, individual members of the Ebix board of directors may have given different weight to different factors.

In addition, the Ebix board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, but rather conducted an overall analysis of the factors described above, including discussions with the Ebix management team and Ebix's outside legal and financial advisors. Based on the totality of the information presented, Ebix's board of directors determined that Ebix should proceed with the merger and the merger agreement.

Table of Contents**Interests of ADAM's Directors and Executive Officers in the Merger**

In considering the recommendation of the ADAM board of directors in favor of the merger, you should be aware that there are provisions in the merger agreement and other existing agreements that will result in certain benefits to ADAM's directors and executive officers that are not available to shareholders generally. The ADAM board of directors was aware of, and considered the interests of, ADAM's directors and executive officers and the potential conflicts arising from such interests in its deliberations of the merits of the merger and in approving the merger agreement and the merger. Other than the provisions of the merger agreement the employment agreement amendment described below, the arrangements described below were in existence before the discussions about the merger began. Shareholders should take these benefits into account in deciding whether to vote for approval of the merger agreement.

Stock Options and Restricted Stock Awards

Upon the completion of the merger, each ADAM outstanding stock option will vest in its entirety and will be cancelled and converted into a right to receive from Ebix an amount in cash, without interest, equal to the excess, if any, of \$5.95 above the per share exercise price of such stock option multiplied by the number of shares subject to such stock option, subject to applicable tax withholding. All outstanding restricted stock awards will vest in their entirety on an accelerated basis contingent upon and immediately prior to the completion of the merger, subject to applicable tax withholding, and will be converted into the right to receive 0.3122 shares of Ebix common stock, subject to the adjustments described in the merger agreement.

Change of Control and Severance Benefits

In connection with the appointment of Mark Adams as President and Chief Executive Officer on January 4, 2010, ADAM entered into a second amended and restated employment agreement with Mr. Adams dated February 24, 2010. The employment agreement provided for severance following a change in control in the event Mr. Adams's employment is terminated without cause or by him for good reason within twelve months following of a change in control. Pursuant to the amended and restated employment agreement, Mr. Adams is entitled to a lump sum cash payment in an amount equal to 200% of his annual base salary in effect on the date of termination, an amount equal to 12 months of COBRA premiums in an amount sufficient to continue the same medical coverage carried while an employee of ADAM and a prorated bonus for the year in which the termination occurs. On July 13, 2010, Mr. Adams's employment agreement was amended to also provide for severance following a change of control if Mr. Adams resigns without good reason.

Under Mr. Adams's employment agreement, *with cause* means the termination of employment resulting from: (i) any act or omission which constitutes a material breach by Mr. Adams of his obligations under the agreement; (ii) the commission by Mr. Adams of a felony or any crime involving moral turpitude, fraud, or dishonesty; (iii) the perpetration by Mr. Adams of any intentional, material act of dishonesty whether relating to ADAM, ADAM's employees or otherwise; (iv) the use of illegal drugs by the Mr. Adams, or drunkenness or substance abuse by the Mr. Adams that interferes with the performance of his duties; (v) gross incompetence on the part of Mr. Adams in the performance of his duties; (vi) the issuance of a final consent decree, cease and desist, or similar order against Mr. Adams by a regulatory agency relating to violations or alleged violations of any federal or state law or regulation governing the conduct of the business of ADAM; or (vii) any other act or omission (other than an act or omission resulting from the exercise by Mr. Adams of good faith business judgment) that materially impairs the financial condition or business reputation of ADAM. *Without cause* means the termination of employment for any reason other than those justifying termination *with cause*.

Under Mr. Adams's employment agreement, *with good reason* means Mr. Adams's termination of his employment with ADAM as a result of: (i) the assignment to Mr. Adams of any duties materially and adversely inconsistent with Mr. Adams's position as specified in the employment agreement (or such other position to which he may be promoted), including status, offices, responsibilities, or persons to whom Mr. Adams reports as contemplated in the employment agreement, or any other action by ADAM which results in a material adverse change in such position, status, offices, titles, or responsibilities; or (ii) any material breach of the employment agreement by ADAM, including the failure to pay Mr. Adams on a timely basis any material amounts to which he is entitled under the employment agreement. Mr. Adams must provide notice to ADAM of the existence of a condition constituting good

reason within 90 days of the initial existence of the condition, and upon such notice,

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ADAM shall have a period of 30 days during which it may remedy the condition and not be required to pay the applicable severance.

On November 4, 2009, ADAM entered into an employment agreement with Christopher Joe as Director of Finance. Pursuant to this employment agreement, in the event Mr. Joe's employment is terminated without cause or by him for good reason or without good reason within 12 months following of a change in control, Mr. Joe is entitled to a lump sum cash payment in an amount equal to 50% of his annual base salary in effect on the date of termination, an amount representing his target bonus amount as set forth in the employment agreement, an amount equal to 12 months of COBRA premiums in an amount sufficient to continue the same medical coverage carried while an employee of ADAM and a prorated bonus for the year in which the termination occurs.

Under Mr. Joe's employment agreement, *with cause* means the termination of employment resulting from: (i) any act or omission which constitutes a material breach by Mr. Joe of his obligations under the agreement; (ii) the commission by Mr. Joe of a felony or any crime involving moral turpitude, fraud or dishonesty; (iii) the perpetration by Mr. Joe of any intentional, material act of dishonesty whether relating to ADAM, ADAM's employees or otherwise; (iv) the use of illegal drugs by the Mr. Joe, or drunkenness or substance abuse by the Mr. Joe which interferes with the performance of his duties; (v) gross incompetence on the part of Mr. Joe in the performance of his duties; (vi) the issuance of a final consent decree, cease and desist or similar order against Mr. Joe by a regulatory agency relating to violations or alleged violations of any federal or state law or regulation governing the conduct of the business of ADAM; or (vii) any other act or omission (other than an act or omission resulting from the exercise by Mr. Joe of good faith business judgment) which materially impairs the financial condition or business reputation of ADAM.

Without cause means the termination of employment for any reason other than those justifying termination *with cause*.

Under Mr. Joe's employment agreement, *with good reason* means Mr. Joe's termination of his employment with ADAM as a result of: (i) the assignment to Mr. Joe of any duties materially and adversely inconsistent with Mr. Joe's position as specified in the employment agreement (or such other position to which he may be promoted), including status, offices, responsibilities or persons to whom Mr. Joe reports as contemplated in the employment agreement, or any other action by ADAM which results in a material adverse change in such position, status, offices, titles, or responsibilities; or (ii) any material breach of the employment agreement by ADAM, including the failure to pay Mr. Joe on a timely basis any material amounts to which he is entitled under the employment agreement. Mr. Joe must provide notice to ADAM of the existence of a condition constituting good reason within 90 days of the initial existence of the condition, and upon such notice, ADAM shall have a period of 30 days during which it may remedy the condition and not be required to pay the applicable severance.

The merger will constitute a change of control transaction as defined in the employment agreements described above and Ebix has agreed that the change in duties for Mr. Adams and Mr. Joe following the merger will constitute *good reason* under those employment agreements.

ADAM Common Stock, RSAs, and Stock Options Held by Directors and Executive Officers

The following table summarizes the ADAM common stock, restricted stock awards (RSAs), and options to purchase ADAM common stock held by each of ADAM's directors and executive officers. All such shares of ADAM common stock are being treated identically in the merger to shares of ADAM common stock held by other ADAM shareholders, and all such RSAs and stock options are being treated identically to RSAs and stock options held by ADAM employees generally.

Name	Number of shares of ADAM common stock	Number of RSAs	Number of shares underlying stock options
<i>Non-Employee Directors:</i>			
Robert S. Cramer, Jr.	259,654	3,571	12,000
Daniel S. Howe	0	3,571	12,000

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Mark Kishel, M.D.	12,155	3,571	12,000
Clay E. Scarborough	7,155	3,571	12,000
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Name	Number of shares of ADAM common stock	Number of RSAs	Number of shares underlying stock options
<i>Executive Officers:</i>			
Mark B. Adams	2,000	0	188,666
Christopher R. Joe	0	0	30,700
John George(1)	0	0	0

(1) As of August 31, 2010, John George is no longer an employee of ADAM.

Indemnification and Insurance

The merger agreement provides that for six years after the effective time of the merger (i) Ebix and Merger Sub will honor all rights to indemnification for acts or omissions prior to the effective time of the merger existing in favor of ADAM directors or officers as provided in ADAM organizational documents and any indemnification agreements with such individuals and (ii) indemnify, defend and hold harmless present and former officers and directors of ADAM (and those individuals serving as a director or officer of another entity at the request of ADAM) against all losses (including reimbursement of legal expenses) arising out of their actions as an officer or director occurring at or prior to the effective time of the merger (including in connection with the negotiation of the merger). The merger agreement also provides that Ebix will cause the surviving corporation to purchase six-year officers and directors liability insurance policies on terms and conditions no less favorable than ADAM's existing directors and officers liability insurance, subject to a premium cap of 200% of the annual premium paid by ADAM for its existing insurance. Ebix and the surviving corporation are obligated to maintain such policies in full force and effect and continue to honor their respective obligations thereunder for the full term thereof.

Ebix Stock Ownership

ADAM's directors and executive officers do not own any shares of Ebix common stock.

Accounting Treatment

The merger will be accounted for as an acquisition of ADAM by Ebix under the purchase method of accounting of U.S. generally accepted accounting principles. Under the purchase method of accounting, the assets and liabilities of the acquired company are, as of completion of the merger, recorded at their respective fair values and added to those of the reporting public issuer, including an amount for goodwill representing the difference between the purchase price and the fair value of the identifiable tangible and intangible net assets. Financial statements of Ebix issued after the merger will include only the operations of ADAM after the merger and will not be restated retroactively to reflect the historical financial position or results of operations of ADAM.

Restrictions on Sales of Shares of Ebix Common Stock Received in the Merger

Ebix shares of common stock issued in the merger will not be subject to any restrictions on transfer arising under the Securities Act of 1933, as amended (the Securities Act), except for Ebix shares issued to any ADAM shareholder who may be deemed to be an affiliate of Ebix after completion of the merger. Former ADAM shareholders who were affiliates of ADAM at the time of the ADAM special meeting and who are not affiliates of Ebix after the completion of the merger may sell their Ebix shares at any time. Former ADAM shareholders who are or become affiliates of Ebix after completion of the merger will remain or be subject to the volume and sale limitations of Rule 144 under the Securities Act until they are no longer affiliates of Ebix. This Proxy Statement does not cover resales of Ebix common stock received by any person upon completion of the merger, and no person is authorized to make any use of this Proxy Statement in connection with any resale.

No Appraisal Rights

Under Section 14-2-1302 of the General Business Corporation Code of the State of Georgia, the holders of ADAM common stock will not have appraisal rights in connection with the merger as Ebix is listed on the NASDAQ Stock Market and holders of ADAM common stock are not being required to receive any consideration from Ebix in the

form of cash.

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Regulatory Matters

Completion of the merger is conditioned upon, among other things, the receipt of antitrust approval under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (referred to herein as HSR). Ebix and ADAM have each agreed to use their reasonable best efforts to take all actions necessary, proper, or advisable and to satisfy all conditions to the merger in the most expeditious manner practicable, including obtaining approval under HSR. Ebix and ADAM filed their respective HSR Notifications on October 8, 2010. On October 21, 2010, the FTC granted early termination of the waiting period under the HSR applicable to the merger. However, the foregoing does not require Ebix to consent, offer, or agree any sale, license, assignment, transfer, divestiture, or disposal of any assets, business, or portion of the business of Ebix, or conduct, restrict, operate, invest, or otherwise change the assets, business, or portion of business of Ebix or impose any restriction, requirement, or limitation on the operation of the business, or portion of the business of Ebix. In addition, either party can terminate the merger agreement if the merger has not been effected by March 31, 2011, so long as such party's breach did not cause the failure. In such case, no termination fee is due. Each of Ebix and ADAM has the right to terminate the merger agreement if a governmental entity issues an order, decree or ruling or takes any other nonappealable final action permanently restraining, enjoining, or otherwise prohibiting the merger. In this case, the terminating party would not be required to pay a termination fee.

Listing of Ebix Common Stock on the NASDAQ Stock Market; Delisting and Deregistration of ADAM Common Stock

Ebix has agreed that prior to the completion of the merger, it will cause the shares of Ebix common stock to be issued in the merger and reserved for issuance under any assumed equity awards to be approved for listing on the NASDAQ Stock Market. Such approval is a condition to the completion of the merger. If the merger is completed, ADAM common stock will cease to be listed on the NASDAQ Stock Market and its shares will be deregistered under the Securities Exchange Act of 1934, as amended (the Exchange Act).

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes the material U.S. federal income tax consequences of the merger to holders of ADAM common stock.

This discussion addresses only those ADAM shareholders that hold their ADAM common stock as a capital asset and does not address all aspects of U.S. federal income taxation that may be relevant to a holder of ADAM common stock in light of that shareholder's particular circumstances or to a shareholder subject to special rules, such as:

a shareholder that is not a citizen or resident of the United States;

a financial institution or insurance company;

a mutual fund;

a tax-exempt organization;

a partnership or other pass-through entity (or a holder that holds its ADAM common stock through a partnership or other pass-through entity);

persons who received their ADAM common stock in connection with stock option or stock purchase plans or in other compensatory transactions;

a dealer or broker in securities or foreign currencies;

a trader in securities that elects to apply a mark-to-market method of accounting;

a shareholder that holds ADAM common stock as part of a hedge, appreciated financial position, straddle, conversion, or other risk reduction transaction; or

a shareholder that acquired ADAM common stock pursuant to the exercise of options or similar derivative securities or otherwise as compensation.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds ADAM common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partners and the activities of the partnership. A partner in a partnership holding ADAM common stock should consult its tax advisor.

The following discussion is not binding on the Internal Revenue Service, referred to as the IRS. It is based on the Internal Revenue Code of 1986, as amended, referred to as the Code, applicable Treasury regulations, administrative interpretations and court decisions, each as in effect as of the date of this document and all of which are subject to change, possibly with retroactive effect. The tax consequences under U.S. state and local and foreign laws and U.S. federal laws other than U.S. federal income tax laws are not addressed.

Holders of ADAM common stock are strongly urged to consult their tax advisors as to the specific tax consequences to them of the merger, including the applicability and effect of U.S. federal, state, and local and foreign income and other tax laws in light of their particular circumstances.

General

Ebix and ADAM have structured the merger to qualify as a reorganization for U.S. federal income tax purposes and have each agreed to use their reasonable best efforts to cause the merger to qualify as a Reorganization for U.S. federal income tax purposes. Ebix and ADAM will receive an opinion from Carlton Fields, P.A. to the effect that, for U.S. federal income tax purposes, the merger will constitute a reorganization within the meaning of Section 368 of the Code. This opinion relies on assumptions, including assumptions regarding the absences of changes in existing facts and law and the completion of the merger in the manner contemplated by the merger agreement, and representations and covenants made by Ebix and ADAM, including those contained in certificates of officers of Ebix and ADAM.

The accuracy of those representations, covenants, or assumptions may affect the conclusions set forth in the opinion, in which case the tax consequences of the merger could differ from those discussed here. Opinions of counsel neither bind the IRS nor preclude the IRS from adopting a contrary position. No ruling has been or will be sought from the IRS on the tax consequences of the merger.

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U.S. Federal Income Tax Consequences to ADAM Shareholders

The material U.S. federal income tax consequences of the merger will be as follows:

A holder of ADAM common stock will not recognize gain or loss upon the exchange of that shareholder's ADAM common stock for Ebix common stock in the merger, except that gain or loss will be recognized on the receipt of cash instead of a fractional share of Ebix common stock. If a holder of ADAM common stock receives cash instead of a fractional share of Ebix common stock, the holder will be required to recognize gain or loss, measured by the difference between the amount of cash received and the portion of the tax basis of that holder's ADAM common stock allocable to that fractional share of Ebix common stock. This gain or loss will be a capital gain or loss and will be a long-term capital gain or loss if the holding period for the ADAM common stock exchanged for the fractional share of Ebix common stock is more than one year at the completion of the merger.

A holder of ADAM common stock will have a tax basis in the Ebix common stock received in the merger equal to (1) the tax basis of the ADAM common stock surrendered by that holder in the merger, reduced by (2) any tax basis of the ADAM common stock surrendered that is allocable to a fractional share of Ebix common stock for which cash is received.

The holding period for the Ebix common stock received in exchange for shares of ADAM common stock in the merger will include the holding period for the shares of ADAM common stock surrendered in the merger, based on the assumption that the ADAM common stock is held as a capital asset.

In the case of a holder of ADAM common stock that holds shares of ADAM common stock with differing tax bases and/or holding periods, the preceding rules must be applied to each identifiable block of ADAM common stock. For this purpose, a block consists of shares acquired at the same cost in a single transaction.

Information Reporting and Backup Withholding

A holder of ADAM common stock may be subject to information reporting and backup withholding in connection with any cash payments received instead of a fractional share of Ebix common stock, unless such holder provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with the applicable requirements of the backup withholding rules. The amounts withheld under the backup withholding rules are not an additional tax and may be refunded, or credited against the holder's U.S. federal income tax liability, provided the required information is timely furnished to the Internal Revenue Service.

Reporting Requirements

A significant holder of ADAM stock will be required to retain records pertaining to the merger and will be required to file with such holder's U.S. federal income tax return for the year in which the merger takes place a statement setting forth facts relating to the merger, including:

the date of the merger;

the names and employer identification numbers of all parties to the merger;

the cost or other basis of the shares of the ADAM common stock transferred in the exchange; and

the fair market value of the ADAM common stock, immediately before the exchange, and the amount of cash received in the exchange instead of receiving a fractional share.

A significant holder is a ADAM shareholder that receives Ebix common stock in exchange for such holder's ADAM common stock if, immediately prior to the exchange, such holder:

owned at least five percent (by vote or value) of the total outstanding stock of ADAM; or

owned securities in ADAM with a basis of \$1,000,000 or more.

This discussion is intended to provide only a general summary of the material U.S. federal income tax consequences of the merger, and is not a complete analysis or description of all potential U.S. federal income tax

consequences of the merger. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. In addition, it does not address any non-income tax or any foreign, state or local tax consequences of the merger. **Accordingly, ADAM strongly urges each holder of ADAM common stock to consult his or her tax advisor to determine the particular U.S. federal, state, or local or foreign income or other tax consequences to that shareholder of the merger.**

Table of Contents**THE MERGER AGREEMENT**

The following discussion summarizes material provisions of the Agreement and Plan of Merger a copy of which is attached as Annex A to this Proxy Statement and is incorporated by reference herein. The rights and obligations of the parties are governed by the express terms and conditions of the merger agreement and not by this summary. This summary is not complete and is qualified in its entirety by reference to the complete text of the merger agreement. We urge you to read the merger agreement carefully in its entirety, as well as this Proxy Statement, before making any decisions regarding the merger.

*The representations and warranties described below and included in the merger agreement were made by each of Ebix (and its wholly-owned subsidiary, Eden Acquisition Sub, Inc.) and ADAM to each other. The assertions embodied in those representations and warranties were made solely for purposes of the merger agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, the representations and warranties may be subject to a contractual standard of materiality that may be different from what may be viewed as material to shareholders, or may have been used for the purpose of allocating risk between Ebix (and its wholly-owned subsidiary, Eden Acquisition Sub, Inc.). The merger agreement is described in this Proxy Statement and included as **Annex A** only to provide you with information regarding its terms and conditions. The representations and warranties in the merger agreement and the description of them in this Proxy Statement should be read in conjunction with the other information provided elsewhere in this Proxy Statement as well as in conjunction with the documents incorporated by reference into this Proxy Statement for information regarding such entities and their respective businesses. See *Where You Can Find More Information* beginning on page 75 of this Proxy Statement.*

The Merger

Subject to the terms and conditions of the merger agreement and in accordance with Georgia law, Eden Acquisition Sub, Inc., a Georgia corporation and wholly-owned subsidiary of Ebix, will merge with and into ADAM, and ADAM will survive the merger as a wholly-owned subsidiary of Ebix.

Effective Time of the Merger

The merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of Georgia or at such later time as may be specified in the certificate of merger, with the consent of Ebix and ADAM. The filing of the certificate of merger will occur no later than three business days after the conditions to completion of the merger have been satisfied or waived.

Consideration to be Received in the Merger

At the effective time of the merger, each issued and outstanding share of ADAM common stock will be converted into the right to receive 0.3122 shares of Ebix common stock, which we refer to as the exchange ratio. The exchange ratio is subject to adjustment if ADAM fails to pay in full at or prior to the closing out of its cash on hand any of the following items (each, an adjustment event):

its bank debt;

any expenses of its financial advisor in excess of \$650,000; or

ADAM's legal expenses related to the preparation of this Proxy Statement.

As of the date of this Proxy Statement/Prospectus, based on ADAM's current cash on hand and expected earnings before closing, ADAM does not expect that an adjustment event will occur. If there is an adjustment event, then the shares of Ebix common stock to be received upon the exchange of one share of ADAM common stock shall equal a ratio the numerator of which is \$65,350,000 minus (a) \$5,071,000 for ADAM options and minus (b) \$947,000 for ADAM's outstanding warrant (proportionately reduced for any

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option or warrant exercises, forfeitures or cancellations), minus (c) the amounts in the bullet list above to the extent not paid by ADAM at or prior to the closing, divided by \$19.06, which was the agreed upon value of Ebix common stock for purposes of the merger agreement, and the denominator of which is the number of issued and outstanding shares of ADAM common stock to be converted.

Holders of ADAM common stock will not receive any fractional shares of Ebix common stock in the merger. Instead, the total number of Ebix shares that each holder of ADAM common stock will receive in the merger will be rounded down to the nearest whole number and Ebix will pay cash for any resulting fractional share that a ADAM shareholder otherwise would be entitled to receive. The exchange agent will compile all of the fractional shares of Ebix common stock and sell them as whole shares at the then prevailing price on the NASDAQ Stock Market. Upon completion of the sale of all such shares, the exchange agent will distribute the proceeds pro rata to the individuals that were to receive fractional shares.

Example (assuming no adjustment to the exchange ratio): If you currently own 25 shares of ADAM common stock, absent the treatment of the fractional shares described above, you would be entitled to receive (25 x 0.3122) or 7.805 shares of Ebix common stock. Since fractional shares will not be issued, you will be entitled to 7 shares of Ebix common stock. The remaining 0.805 shares will be grouped with other fractional shares and sold on the NASDAQ Stock Market as whole shares. You will then receive a check equal to your pro rata portion of the total proceeds of such sale.

Treatment of ADAM Options

At the effective time of the merger, each option to purchase shares of ADAM common stock that is outstanding and vested or exercisable immediately prior to the date the merger becomes effective will vest in its entirety and will be simultaneously canceled and converted into the right to receive from Ebix and the surviving corporation an amount in cash, without interest, equal to the aggregate number of ADAM shares of common stock subject to the option multiplied by the excess, if any, of \$5.95 above the per share exercise price under the option, subject to applicable tax withholding. Such payments will be made by the surviving corporation after the merger.

ADAM Restricted Stock Awards

At the effective time of the merger, all restricted stock awards outstanding under ADAM's 1992 Stock Option Plan and 2002 Stock Incentive Plan shall vest in their entirety on an accelerated basis immediately prior to the consummation of the merger. All outstanding restricted stock awards will vest in their entirety on an accelerated basis contingent upon and immediately prior to the completion of the merger, subject to applicable tax withholding, and will be converted into the right to receive 0.3122 shares of Ebix common stock, subject to the adjustments described in the merger agreement.

Other Adjustments to the Exchange Ratio

In addition to the adjustments explained in The Merger Agreement Consideration to be Received in the Merger above, the exchange ratio will be appropriately adjusted to reflect fully the effect of any reclassification, stock split (including a reverse stock split) or combination,

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exchange, merger consolidation or readjustment of shares, or any stock dividend or stock distribution, or any similar transaction or event with respect to Ebix common stock or ADAM common stock prior to the effective time of the merger.

Procedures for Exchange of Certificates

Ebix will appoint an exchange agent reasonably acceptable to ADAM for the purpose of exchanging certificates and book-entry shares representing shares of ADAM's common stock. Ebix shall pay all costs, fees, and expenses incurred in connection with the retention and engagement of the exchange agent. As soon as reasonably practical following the effective time of the merger, the exchange agent will mail transmittal materials to each holder of record of shares of ADAM's common stock, advising such holders of the procedure for surrendering their share certificates, or in the case of book-entry shares, the surrender of such shares, to the exchange agent.

Each holder of a share of ADAM's common stock that has been converted into a right to receive the merger consideration will receive the merger consideration upon surrender to the exchange agent of such holder's common stock certificate or book-entry share, together with a letter of transmittal covering such shares and such other documents as the exchange agent may reasonably require. All shares of Ebix common stock issued in exchange for shares of ADAM common stock will be issued in uncertificated book-entry form.

After the effective time of the merger, each certificate or book-entry share that previously represented shares of ADAM's common stock will represent for all purposes only the right to receive the applicable merger consideration as described on page 47 above under "The Merger Agreement - Consideration to be Received in the Merger," including cash for any fractional shares of Ebix's common stock. In addition, ADAM will not register any transfers of shares of ADAM's common stock after the effective time of the merger.

ADAM shareholders will not be paid any dividends or other distributions made by Ebix after the effective time of the merger, until such shareholders surrender their ADAM stock certificates or book-entry shares to the exchange agent.

Holders of ADAM's common stock should not send in their ADAM stock certificates or documents evidencing their surrender of ADAM book-entry shares until they receive, complete and submit a signed letter of transmittal sent by the exchange agent with instructions for the surrender of ADAM common stock.

ADAM and Ebix are not liable to holders of shares of ADAM's common stock for any amount delivered to a public official under applicable abandoned property, escheat, or similar laws.

Representations and Warranties

The merger agreement contains a number of representations and warranties made by ADAM and Ebix (including its wholly-owned subsidiary Eden Acquisition Sub, Inc.) to each other. The representations and warranties are subject in some cases to specified exceptions and qualifications. The parties' reciprocal representations and warranties relate to, among other things:

organization and standing, power and authority, capital structure, and execution and delivery of the merger agreement;

consents and approvals of third parties and permissions and authorizations of governmental entities required in connection with the merger agreement and the merger;

the approval of the merger agreement and the merger by the parties' respective boards of directors;

documents filed with the SEC and the accuracy of information contained in those documents;

financial statements, internal controls, and Sarbanes Oxley compliance;

the absence of any material adverse effect since a recent date; and

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correctness of respective information in this Proxy Statement.

In addition to the foregoing, the Agreement and Plan of Merger contains representations and warranties made by ADAM to Ebix (including its wholly-owned subsidiary Eden Acquisition Sub, Inc.) regarding:

authority and power to conduct its business;

organizational documents and corporate minutes;

subsidiaries;

stock awards, stock plans, and voting debt;

takeover statutes;

the absence of undisclosed liabilities and off-balance sheet arrangements;

the NASDAQ Stock Market standards;

filing of tax returns, payment of taxes, and other tax matters;

intellectual property;

compliance with applicable legal requirements;

possession of and compliance with necessary permits;

litigation;

brokers and finders fees in connection with the merger;

transactions with ADAM's officers, directors, and significant shareholders;

employee benefit plans and the Employee Retirement Income Security Act of 1974, as amended;

severance arrangements;

labor and employment matters;

real property;

properties and assets;

environmental matters;

certain material contracts;

the ADAM shareholder rights agreement;

certain results of the consummation of the merger; and

the receipt of a fairness opinion from ADAM s financial advisor.

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In addition, the Agreement and Plan of Merger contains representations and warranties made by Ebix (including its wholly-owned subsidiary Eden Acquisition Sub, Inc.) to ADAM regarding:
financial capability to consummate the merger;

legal proceedings effecting ability to complete the merger; and

lack of ownership of any shares of ADAM common stock.

Conduct of Business Pending the Merger

Under the merger agreement, ADAM is required to carry on its business in the ordinary course consistent with past practice, use its reasonable efforts to preserve substantially intact its business organization, to keep available the services of its current officers and employees, preserve its relationships with customers, suppliers, distributors, licensors, licensees, and others having business relationships with ADAM.

In addition, ADAM may not, among other things and subject to certain exceptions, without Ebix's consent:
amend or propose to amend its articles of incorporation, bylaws, or similar organizational documents;

split, combine, or reclassify any of its securities;

repurchase, redeem, or otherwise acquire any of its securities;

declare or pay any dividends on or make other distributions in respect of its capital stock;

issue, sell, pledge, dispose of, or encumber any of its securities, other the issuance of ADAM common stock in respect of other equity compensation awards outstanding under the ADAM's existing stock plans, issuance of any equity awards or shares upon the exercise of any equity awards in accordance with their terms in the ordinary course of business consistent with past practice, the issuance of ADAM common stock upon the exercise of any warrant outstanding on the date of the merger agreement;

except as required by law or a contract or employee benefit plan in effect on the date of the merger agreement, increase the compensation payable by ADAM to its directors, officers, or employees, enter into any new or materially amend any existing employment, severance, retention, or change in control agreement, promote any officers or employees (unless required as a result of a departure so long as such promotion is not accompanied by a compensation increase for the position), hire any new employee with a base salary in excess of \$75,000 (unless such hire is the result of a departure and the hire is not accompanied by a substantial compensation increase for the position), or establish, adopt, enter into, amend, terminate, exercise any discretion under, or take any action to accelerate rights under any employee benefit plan, or make any contribution to any employee benefit plan, except as part of any annual renewal of such a plan (provided that the terms of such plans remain reasonably consistent with those in existence);

acquire, by merger, consolidation, acquisition of stock or assets, or otherwise, any business or division or make any loans, advances or capital contributions to or investments in any business in excess of \$100,000 in the aggregate;

transfer, license, sell, lease, or otherwise dispose of any assets (whether by way of merger, consolidation, sale of stock or assets, or otherwise), provided that such restriction shall not prohibit the Company from transferring, licensing, selling, leasing, or disposing of obsolete equipment or assets not being used or being replaced, in each case in the ordinary course of business consistent with past practice;

adopt or effect a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

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repurchase, prepay, or incur any indebtedness for borrowed money or guarantee any such indebtedness of another person, issue or sell any ADAM debt securities or options, warrants, calls, or other rights to acquire any debt securities, guarantee any debt securities of another person, enter into any keep well or other contract to maintain any financial statement condition of any other person or enter into any arrangement having the economic effect of any of the foregoing, other than in connection with the financing of ordinary course trade payables consistent with past practice and other than with respect to funded debt;

enter into, amend, or modify in any material respect, or consent to the termination of, any material agreement, agreement in principle, letter of intent, memorandum of understanding, or similar contract with respect to any joint venture, strategic partnership or alliance;

institute, settle or compromise any claim, action, suit, arbitration, proceeding or governmental investigation pending or threatened before any arbitrator, court or other governmental entity involving the payment of monetary damages by ADAM of any amount exceeding \$70,000 in the aggregate, other than (i) any such legal action brought against Ebix or Eden Acquisition Sub, Inc. arising out of a breach or alleged breach of the merger agreement by Ebix or Eden Acquisition Sub, Inc. and (ii) the settlement of claims, liabilities, or obligations reserved against on ADAM's most recent balance sheet included in the documents ADAM files with the SEC, provided that ADAM shall not settle or agree to settle any such legal action which settlement involves a conduct remedy or injunctive or similar relief or has a restrictive impact on ADAM's business;

make any material changes in accounting methods, principles, or practices, except as required by a change in generally accepted accounting principles or legal requirements;

settle or compromise any material tax claim, audit, or assessment for an amount greater than the reserve for such on ADAM most recent balance sheet included in the documents ADAM files with the SEC, make or change any material tax election, change any annual tax accounting period, adopt or change any method of tax accounting, amend any material tax returns or file claims for material tax refunds or enter into any material closing agreement, surrender in writing any right to any material tax refund, or consent to any extension of or waive the limitation period applicable to any material tax claim or assessment relating to the company;

except in connection with permitted actions discussed The Merger Agreement No Solicitation; Changes in Recommendations beginning on page 55, take any action to exempt any person from, or make any acquisition of securities of ADAM by any person not subject to, any state takeover statute or similar statute or regulation that applies to ADAM with respect to a takeover proposal (as defined on page 57) or otherwise, including the restrictions on business combinations set forth in Section 14-2-1132 of the Georgia Business Corporation Code, except for Ebix, Eden Acquisition Sub, Inc. or any of their respective subsidiaries or affiliates;

enter into any contract with a competitor of Ebix;

incur any material liability or make any material payment except in the ordinary course of business consistent with past practice (except for expenses related to the transaction paid for out of cash on hand at or prior to the effective time of the merger); or

agree or commit to do any of the foregoing.

Commercially Reasonable Best Efforts; Other Agreements

Other Actions. ADAM and Ebix have each agreed to not, and to not permit any of their respective subsidiaries to, take, or agree or commit to take, any action that would reasonably be expected to, individually or in the aggregate, prevent, materially delay, or materially impede the consummation of the merger or the other transactions contemplated by the merger agreement.

Commercially Reasonable Efforts. Ebix, Eden Acquisition Sub, Inc., and ADAM have each agreed to use (and agreed to cause their subsidiaries to use) commercially reasonable best efforts to take, or cause to be taken, all

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actions necessary, proper, or advisable under to complete the merger and the other transactions contemplated by the merger agreement in the most expeditious manner as practicable.

Interactions with Governmental Bodies and Antitrust Issues. Further, each party is required to notify the other parties of any communications from any governmental entity related to the merger. Neither Ebix nor ADAM may, without the written consent of the other, agree with a governmental entity to toll or extend any applicable waiting period under HSR or any other antitrust laws. As promptly as reasonably practicable, the parties to the merger agreement are to provide the information and documents necessary or requested by the applicable governmental for the filings required by and inquiries related to HSR and any additional filings necessary under the applicable antitrust laws. The parties shall also use their reasonable best efforts to obtain prompt approval of the merger by any applicable governmental entity.

Challenges to the Merger. If a governmental entity or any private party institutes or threatens to institute any administrative or judicial proceeding challenging the merger or any transaction contemplated by the merger agreement, ADAM shall cooperate in all respects with Ebix and Eden Acquisition Sub, Inc. and shall use its reasonable best efforts to contest and resist any such action. Ebix and Eden Acquisition Sub, Inc. have no such duty to defend, contest, or resist any such action.

Changes in Business. None of Ebix, Eden Acquisition Sub, Inc. or any of their subsidiaries shall be required to, and ADAM may not, without the prior written consent of Ebix, become subject to, consent to, or offer or agree to, or otherwise take any action with respect to, any requirement, condition, limitation, understanding, agreement, or order to:

sell, license, assign, transfer, divest, hold separate, or otherwise dispose of any assets, business, or any portion of business of ADAM, Ebix, Eden Acquisition Sub, Inc., or any of their respective subsidiaries;

conduct, restrict, operate, invest, or otherwise change the assets, business, or any portion of business of ADAM, Ebix, Eden Acquisition Sub, Inc., or any of their respective subsidiaries; or

impose any restriction, requirement, or limitation on the operation of the business or any portion of the business of ADAM, Ebix, Eden Acquisition Sub, Inc., or any of their respective subsidiaries.

If requested by Ebix, however, ADAM will become subject to, consent to, or offer or agree to, or otherwise take any action with respect to, any such requirement, condition, limitation, understanding, agreement, or order so long as such requirement, condition, limitation, understanding, agreement, or order is only binding on ADAM in the event the completion of the merger occurs.

Consents. ADAM shall use its reasonable best efforts to obtain all reasonably required consents from third parties due under certain material contracts as well as other consents necessary for the operation of ADAM's business after the merger.

Public Announcements. No public release or announcement concerning merger shall be issued by any party without the prior written consent of ADAM and Ebix except as such release or announcement may be related to another offer to purchase ADAM as expressly permitted by the merger agreement or required by applicable law or the rules or regulations of the NASDAQ Stock Market or any governmental entity to which a party is subject, in which case the party required to make the release or announcement shall, prior to the public release or announcement, consult with the other party about such release or announcement.

Takeover Statutes. If any control share acquisition, fair price, moratorium, or other anti-takeover law becomes or is deemed to be applicable to ADAM, Ebix, Eden Acquisition Sub, Inc., or the merger, each party and its respective board of directors shall grant such approvals and take such actions as are necessary so that the merger may be consummated as promptly as practicable on the terms provided for in the merger agreement.

Merger Sub. Ebix is required to take all actions necessary to cause Eden Acquisition Sub, Inc. to perform its obligations under the merger agreement and to complete the merger.

Resignation of ADAM's Board of Directors and Certain Officers. On the day the merger is completed, ADAM will cause to be delivered to Ebix the resignations of each member of the ADAM board of directors, and, to the extent requested by Ebix, each officer of ADAM. ADAM and Ebix agreed that the resulting resignations of Mark

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Adams and Christopher Joe shall be deemed to constitute With Good Reason, as such term is defined in their employment agreements with ADAM.

Certain Tax Matters. The merger agreement is intended to constitute a plan of reorganization within the meaning of Code regulations Section 1.368-2(g), and Ebix and ADAM are to use their reasonable best efforts to cause the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. Ebix and ADAM agreed to cooperate in the preparation, execution, and filing of all tax returns and other documentation regarding any taxes of the parties which become payable in connection with the merger that are required or permitted to be filed on or before the effective time of the merger.

ADAM's Rights Agreement. Prior to the earlier of the termination of the merger agreement or the effective time of the Merger, ADAM and its board of directors may not amend or modify or take any other action with regard to ADAM's rights agreement in any manner or take any other action so as to (i) render the rights agreement inapplicable to any transaction other than the merger, (ii) permit any person or group who would otherwise be an acquiring person under the rights agreement not to be an acquiring person, (iii) provide that a distribution date or triggering event does not occur under the rights agreement by reason of the execution of any contract other than the merger agreement, and (iv) except as specifically contemplated by the merger agreement, otherwise affect the rights of holders of rights under the rights agreement. ADAM and its board of directors must take all action to ensure that the rights agreement is and, through the effective time of the merger, will not apply to Ebix, Eden Acquisition Sub, Inc., the merger agreement, or the merger. The rights agreement shall be amended so that the rights will expire immediately prior to the effective time of the merger.

Parent Non-Competition. Between the date of the merger agreement and the effective time of the merger, Ebix may not enter into any contract with a competitor of ADAM.

Listing on the NASDAQ Stock Market. Ebix has agreed to use its reasonable best efforts to cause its shares to be issued pursuant to the merger agreement to be approved for listing (subject to official notice of issuance) on the NASDAQ Stock Market prior to the effective time of the merger.

Ebix Guarantee. Ebix agreed to take all action necessary to cause Eden Acquisition Sub, Inc. to perform all of its and the surviving corporation to perform all of the surviving corporation's, agreements, covenants, and obligations under the merger agreement and to complete the merger on the terms and subject to the conditions set forth in the merger agreement. Ebix will be liable for any breach of any representation, warranty, covenant, or agreement of Eden Acquisition Sub, Inc. in the merger agreement and for any breach of this guarantee.

Other Agreements. The merger agreement contains certain other agreements, including agreements relating to access to information and cooperation between Ebix and ADAM during the pre-closing period.

Proxy Statement; Shareholders Meeting. Ebix and ADAM have agreed to cooperate in preparing and filing this Proxy Statement and the registration statement of which it forms a part. Each has agreed to respond to any SEC comments relating to this Proxy Statement and to use its commercially reasonable efforts to have the registration statement of which it forms a part declared effective, and ADAM has agreed to cause this Proxy Statement to be mailed to its shareholders as promptly as practicable after the registration statement of which this Proxy Statement forms a part is declared effective. ADAM has also agreed to hold a shareholders meeting as promptly as possible after the registration statement is declared effective.

Conditions to Completion of the Merger

Each party's obligation to effect the merger is subject to the satisfaction or waiver of various conditions, which include the following:

the receipt of approval from the holders of ADAM common stock;

the expiration or termination of the waiting period under HSR;

the effectiveness of the registration statement of which this Proxy Statement forms a part, and the registration statement not being subject to any stop order or threatened stop order;

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the absence of any laws, orders, temporary, preliminary or permanent injunctions, or other decrees issued by any court of competent jurisdiction or other legal restraint making illegal, enjoining, or otherwise preventing the completion of the merger;

the receipt of such additional governmental authorizations, consents, approvals, and other authorizations as may be required to complete the merger, subject to certain exceptions; and

the receipt of authorization from the NASDAQ Stock Market for listing of Ebix common stock to be issued in connection with the merger;

the other party's representations and warranties being true and correct on the date of the merger agreement (subject to certain materiality thresholds) and on the date on which the merger is to be completed as if made as of that date or, if representations and warranties in the merger agreement expressly relate to an earlier date, then as of that specified date, in each case other than any failures to be true and correct that, individually or in the aggregate, have not had and would not reasonably be likely to have a material adverse effect on the other party;

the other party having performed its obligations under the merger agreement in all material respects; and

the non-occurrence of a material adverse effect, which consists of the occurrence of an event, occurrence, fact, condition, or change that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (i) the business, results of operations, condition (financial or otherwise), or assets of the affected party and its subsidiaries, taken as a whole, or (ii) the ability of the affected party to consummate the transactions contemplated by the merger agreement on a timely basis.

The merger agreement provides that a material adverse effect shall not be deemed to include: changes generally affecting the economy, financial or securities markets;

the announcement of the merger;

any outbreak or escalation of war or any act of terrorism;

general conditions in the industry in which the affected party and its subsidiaries operate;

changes in the market price for or trading volume of the affected party's stock;

any changes in the laws or applicable accounting regulations or principles, or interpretations thereof; or

the failure of the affected party to meet internal or external projections, forecasts or estimates of earnings, revenues or any other financial measures (regardless of whether such projections were made by the affected party or independent third parties), or the issuance of revised projections that are not as optimistic as those in existence on the date of the merger agreement.

The merger agreement also provides that any event, change, and effect referred to in the first, third and fourth bullets immediately above shall be taken into account in determining whether a material adverse effect has occurred or would reasonably be expected to occur to the extent that such event, change, or effect has a disproportionate effect on the affected party and its subsidiaries, taken as a whole, compared to other participants in the industries in which the affected party and its subsidiaries conduct their businesses.

No Solicitation; Changes in Recommendations

In the merger agreement, ADAM has agreed that its board of directors will recommend that ADAM's shareholders adopt and approve the merger agreement and that it will not directly or indirectly, authorize or permit its directors,

officers, employees, advisors, or investment bankers to, directly or indirectly, solicit, initiate, or

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knowingly take any action to facilitate or encourage the submission of any takeover proposal (as defined below) or the making of any proposal that could lead to any takeover proposal, or subject to the permitted actions described in the paragraph below:

conduct or engage in any discussions or negotiations with, disclose any non-public information relating to ADAM to, afford access to the business, properties, assets, books or records of ADAM, or knowingly assist, participate in, facilitate, or encourage any effort by, any third party that is seeking to make, or has made, any takeover proposal;

amend or grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of ADAM, or approve any transaction under, or any third party becoming an interested shareholder under, Section 14-2-1112 of the Georgia Business Corporation Code;

enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement, or other contract relating to any takeover proposal (each, an ADAM acquisition agreement); or

make, withdraw, amend, modify or materially qualify, in a manner adverse to Ebix or Eden Acquisition Sub, Inc. the recommendation to ADAM shareholders that they approve and adopt the merger agreement, or recommend a takeover proposal, fail to recommend against acceptance of any tender offer or exchange offer for shares of ADAM's common stock within ten business days after the commencement of such offer, or make any public statement inconsistent with ADAM's board of director's recommendation to the shareholders to approve and adopt the merger agreement, or resolve or agree to take any of the foregoing actions.

ADAM agreed to cease immediately and cause to be terminated, and not authorize or knowingly permit any of its representatives to continue, any and all existing activities, discussions or negotiations, if any, with any third party conducted prior to the date of the merger agreement with respect to any takeover proposal and to use its reasonable best efforts to cause any such third party (or its agents or advisors) in possession of non-public information in respect of ADAM that was furnished by or on behalf of ADAM to return or destroy (and confirm destruction of) all such information.

Notwithstanding the foregoing, at any time before the date that the vote required to be obtained from ADAM's shareholders in connection with the merger has been obtained, and so long as the ADAM board of directors has delivered to Ebix written notice as required by the merger agreement related to the following, ADAM and its board of directors may, in each case referred to below, only if the ADAM board of directors determines in good faith, after consultation with outside legal counsel and financial advisors, that the failure to take such action could reasonably be expected to cause the ADAM board of directors to be in breach of its fiduciary duties under applicable law:

participate in negotiations or discussions with any third party that has made a bona fide, unsolicited takeover proposal in writing that the ADAM board of directors believes in good faith, after consultation with outside legal counsel and the ADAM's financial advisor, constitutes or could reasonably be expected to result in a superior proposal (as defined below);

thereafter furnish to such third party non-public information relating to ADAM pursuant to an executed confidentiality agreement that contains provisions no less favorable than those in the confidentiality agreement between Ebix and ADAM (a copy of which ADAM is to promptly, in all events within twenty-four (24) hours, provide to Ebix);

following receipt of and on account of a superior proposal, change its recommendation that ADAM's shareholders approve the merger; and/or

take any action that any court of competent jurisdiction orders ADAM to take (which order remains unstayed).

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Before the ADAM board of directors may make any change in its recommendation or ADAM may enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement, or other contract relating to any takeover proposal, ADAM must follow certain notice provisions and engage in good faith negotiations with Ebix to amend the merger agreement in such a way as to make the acquisition proposal no longer a superior proposal or obviate the need for a change of recommendation, as applicable.

The term **takeover proposal** means a proposal or offer from, or indication of interest in making a proposal or offer by, any person (other than Ebix and its subsidiaries, including Eden Acquisition Sub, Inc.) relating to any:

direct or indirect acquisition of assets of ADAM (including any voting equity interests of its subsidiaries, but excluding sales of assets in the ordinary course of business) equal to fifteen percent (15%) or more of the fair market value of the ADAM's consolidated assets or to which fifteen percent (15%) or more of the Company's net revenues or net income on a consolidated basis are attributable;

direct or indirect acquisition of fifteen percent (15%) or more of the voting equity interests of ADAM;

tender offer or exchange offer that if consummated would result in any person beneficially owning fifteen percent (15%) or more of the voting equity interests of ADAM;

merger, consolidation, other business combination or similar transaction involving ADAM, pursuant to which such person would own fifteen percent (15%) or more of the consolidated assets, net revenues or net income of ADAM, taken as a whole; or

liquidation or dissolution (or the adoption of a plan of liquidation or dissolution) of ADAM or the declaration or payment of an extraordinary dividend (whether in cash or other property) by ADAM.

The term **superior proposal** means a bona fide written takeover proposal involving the direct or indirect acquisition pursuant to a tender offer, exchange offer, merger, consolidation, or other business combination, of all or substantially all of ADAM's consolidated assets or a majority of ADAM's common stock that the ADAM board of directors determines in good faith (after consultation with outside legal counsel and ADAM's financial advisor) is more favorable from a financial point of view to ADAM's shareholders than the merger, taking into account all financial considerations, the identity of the third party making such takeover proposal, the anticipated timing, required conditions (including any financing condition or the reliability of any debt or equity funding commitments) and prospects for completion of such takeover proposal, the other terms and conditions of such takeover proposal, and the implications thereof on ADAM, including relevant legal, regulatory, and other aspects of such takeover proposal deemed relevant by the board of directors, and any revisions to the terms of merger agreement proposed by Ebix in response to the notices required by the merger agreement.

The merger agreement also provides that ADAM must promptly notify Ebix in writing (but in no event later than twenty-four (24) hours) after it obtains knowledge of the receipt by ADAM of any takeover proposal, any inquiry that would reasonably be expected to lead to a takeover proposal, any request for non-public information relating to ADAM or for access to the business, properties, assets, books, or records of ADAM by any third party. Thereafter, ADAM must keep Ebix fully informed, on a current basis, of the status and material terms of any such takeover proposal, indication or request, including any material amendments or proposed amendments as to price and other material terms thereof.

Termination

Generally, the merger agreement may be terminated and the merger may be abandoned at any time prior to the completion of the merger (including after shareholder approval, except where expressly noted):

by mutual written consent of ADAM, Ebix, and Eden Acquisition Sub, Inc.;

by either ADAM or Ebix, if:

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the merger is not consummated on or before March 31, 2011 (except that this right is not available to any party whose breach of any representation, warranty, covenant, or agreement found in the merger agreement has been the cause of, or resulted in, such failure to consummate the merger);

a governmental entity issues, promulgates, enforces, or enters a final and nonappealable law, regulation, order, writ, assessment, decision, injunction, decree, ruling or judgment, or takes any other nonappealable final action in each case making illegal, permanently enjoining or otherwise permanently prohibiting the completion of the merger (except that the right is not available to any party whose breach of any representation, warranty, covenant or agreement found in the merger agreement has been the cause of, or resulted in, the issuance, promulgation, enforcement, or entry of such prohibiting circumstance);

the required ADAM shareholder vote has not been obtained at the ADAM shareholder meeting or any adjournment or postponement thereof permitted under the merger agreement; or

the other party breaches any of its representations, warranties, covenants, or agreements in the merger agreement in such a way as would cause one or more of the conditions to closing not to be satisfied, and such breach is either incurable or is not cured prior to March 31, 2010, provided that the non-breaching party must provide 30 days notice of its intent to terminate pursuant to this right;

by Ebix, if:

the ADAM board of directors, or any committee thereof, makes, withdraws, amends, modifies, or materially qualifies, in a manner adverse to Ebix, any public statement inconsistent with its recommendation that ADAM's shareholders vote in favor of the merger;

ADAM enters into or publicly announces its intention to enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement, or other contract relating to any takeover proposal (as defined on page 57);

ADAM breaches or fails to perform in any material respect its covenants and agreements related to transactions with a buyer other than Ebix as more specifically described in The Merger Agreement No Solicitation; Changes in Recommendations beginning on page 55;

the ADAM board of directors fails to reaffirm its recommendation of the merger as provided for in the merger agreement;

the ADAM board of directors, upon a tender offer or exchange offer from a third party, fails to send to the shareholders within ten business days after such tender offer or exchange offer is received a statement reaffirming the board of directors recommendation of the merger and a recommendation that the shareholders reject such tender offer or exchange offer; or

ADAM or its board of directors publically announces its intentions to take any of the actions permitting Ebix to terminate the merger agreement; or

by ADAM, if prior to shareholder approval of the merger, ADAM enters into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other contract relating to any takeover proposal (as defined on page 57) with respect to a superior proposal (as defined on page 57), provided that ADAM pays the termination fee referred to below and concurrently enters into such agreement.

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Termination Fees and Expenses

ADAM is required to pay Ebix a \$3.5 million termination fee if the merger agreement has been terminated because:

the ADAM board of directors, or any committee thereof, makes, withdraws, amends, modifies, or materially qualifies, in a manner adverse to Ebix, any public statement inconsistent with its recommendation that ADAM's shareholders vote in favor of the merger;

prior to shareholder approval of the merger, ADAM enters into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement, or other contract relating to any takeover proposal (as defined on page 57) with respect to a superior proposal (as defined on page 57), provided that ADAM pays the termination fee and concurrently enters into such agreement.

ADAM breaches or fails to perform in any material respect its covenants and agreements related to transactions with a buyer other than Ebix as more specifically described in The Merger Agreement No Solicitation; Changes in Recommendations beginning on page 55; or

prior to shareholder approval of the merger, (i) ADAM breaches any of its representations, warranties, covenants or agreements in the merger agreement in such a way as would cause one or more of the conditions to closing not to be satisfied, and such breach is either incurable or is not cured prior to March 31, 2011, provided that the non-breaching party must provide 30 days notice of its intent to terminate pursuant to this right or (ii) the merger is not consummated on or before March 31, 2011 (except that this right is not available to any party whose breach of any representation, warranty, covenant or agreement found in the merger agreement has been the cause of, or resulted in, such failure to consummate the merger) or (iii) the required ADAM shareholder vote has not been obtained at the ADAM shareholder meeting or any adjournment or postponement thereof permitted under the merger agreement and, in each case, prior to such termination a takeover proposal shall have been publicly disclosed and not withdrawn and, within twelve months after such termination, ADAM enters into a definitive agreement with respect to a takeover proposal or a takeover proposal has been consummated (provided that, for purposes of the foregoing, the references to 15% in the definition of takeover proposal on page 56 shall be changed to 50%).

Ebix is required to pay ADAM a \$3.5 million termination fee if the merger agreement has been terminated: by Ebix for a reason other than those expressly provided for in the merger agreement; or

by ADAM because of a breach by Ebix of any of its representations, warranties, covenants or agreements in the merger agreement in such a way as would cause one or more of the conditions to closing not to be satisfied, and such breach is either incurable or is not cured prior to March 31, 2010, provided that ADAM has provided 30 days notice of its intent to terminate the merger agreement.

Whether or not the merger is completed, all costs and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those costs or expenses except as expressly set forth in the merger agreement.

Effect of Termination

If the merger agreement is terminated as described in The Merger Agreement Termination above, the merger agreement will be void, and there will be no liability or obligation on the part of any party except that:

each party will remain liable for fraud or the beach by it of any of its representations, warranties, covenants or other agreements contained in the merger agreement; and

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designated provisions of the merger agreement, including the provisions relating to confidential treatment of information and the payment of the termination fee and expenses described above, if applicable, will survive termination.

Employee Matters

The merger agreement provides that:

for a period of no less than one year following effective time of the merger, Ebix will use its best efforts to cause the surviving corporation to provide base compensation to ADAM's employees who continue as employees of the surviving corporation or any affiliate of Ebix so that, at a minimum, the base compensation is reasonably comparable in the aggregate to the base compensation provided by ADAM prior to the merger;

for each employee remaining with the combined company or any affiliate of Ebix after the merger, such employee will be immediately eligible to participate, without any waiting period, in all of Ebix's employee benefit plans, programs, policies and arrangements, including the Ebix 401(k) plan, to the extent that such a plan was in place at ADAM and the employee was eligible at any time prior to the effective date to participate;

for each employee remaining with the surviving corporation or any affiliate of Ebix after the merger, such employee will be granted credit for all services with ADAM for purposes of eligibility, benefits, and vesting for all benefits;

for each ne