

EBIX INC
Form DEF 14A
November 17, 2005
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

Ebix, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)	Title of each class of securities to which transaction applies:
(2)	Aggregate number of securities to which transaction applies:
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4)	Proposed maximum aggregate value of transaction:
(5)	Total fee paid:
- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)	Amount Previously Paid:
(2)	Form, Schedule or Registration Statement No.:
(3)	Filing Party:
(4)	Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Ebix, Inc.
1900 E. GOLF ROAD, SUITE 1050
SCHAUMBURG, ILLINOIS 60173

November 21, 2005

Dear Stockholder:

On behalf of our Board of Directors, I cordially invite you to the Annual Meeting of Stockholders of Ebix, Inc. to be held at 10:00 a.m., local time, on December 16, 2005, at our Schaumburg office, located at 1900 E. Golf Road, Suite 1050 in Schaumburg, Illinois.

The business of the meeting is described in detail in the attached notice of meeting and proxy statement. Also included is a proxy card and postage paid return envelope.

It is important that your shares are represented and voted at the Annual Meeting, regardless of the size of your holdings. Whether or not you plan to attend, please complete and return the enclosed proxy to ensure that your shares will be represented at the Annual Meeting. If you attend the meeting, you may withdraw your proxy by voting in person.

Sincerely,

Robin Raina
*President, Chief Executive Officer
and Chairman of the Board*

Ebix, Inc.
1900 E. GOLF ROAD, SUITE 1050
SCHAUMBURG, ILLINOIS 60173

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 16, 2005**

Notice is hereby given that the Annual Meeting of Stockholders of Ebix, Inc. will be held at our Schaumburg office, located at 1900 E. Golf Road, Suite 1050 in Schaumburg, Illinois, at 10:00 a.m., local time, on December 16, 2005, and at any adjournments or postponements thereof, for the following purposes:

1. To elect seven directors to serve until the 2006 Annual Meeting or until their respective successors are elected and qualified; and
2. To transact such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

Our Board of Directors has fixed the close of business on November 7, 2005 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof.

Whether or not you plan to attend the meeting, please complete, sign, date and return the enclosed proxy in the envelope provided.

By Order of the Board of Directors

Richard J. Baum
*Executive Vice President Finance and
Administration, Chief Financial Officer and Secretary*

Dated: November 21, 2005

Ebix, Inc.
1900 E. GOLF ROAD, SUITE 1050
SCHAUMBURG, ILLINOIS 60173

(847)789-3047

PROXY STATEMENT

FOR

ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 16, 2005

GENERAL INFORMATION

We are providing these proxy materials to you in connection with the solicitation of proxies by the Board of Directors of Ebix, Inc. for the 2005 Annual Meeting (the "Annual Meeting") of our stockholders to be held on December 16, 2005, and any adjournment or postponement of the Annual Meeting. In this proxy statement, we refer to Ebix, Inc., as "Ebix," the "Company," "we," or "us."

We are holding our Annual Meeting at the Company's Schaumburg, Illinois office located at 1900 E. Golf Road, Suite 1050, Schaumburg, Illinois, on Friday, December 16, 2005, at 10:00 a.m. Central Standard Time. We intend to mail this proxy statement and accompanying proxy card to our stockholders starting on or about November 21, 2005. Our annual report for the year ended December 31, 2004, is being sent to each stockholder of record along with this proxy statement.

ABOUT THE MEETING

At our Annual Meeting, our stockholders will act upon the matters outlined in the accompanying notice of meeting, including the election of directors. In addition, our management will report on our performance during the 2004 year and respond to questions from stockholders.

VOTING INFORMATION

All shares represented by properly executed proxies received by the Board of Directors pursuant to this solicitation will be voted in accordance with the holder's directions specified on the proxy. If no directions have been specified by marking the appropriate places on the accompanying proxy card, the shares will be voted in accordance with the board's recommendations which are:

- **FOR** the election of Robin Raina, Richard J. Baum, Hans U. Benz, Neil D. Eckert, Pavan Bhalla, Rolf Herter and Hans Ueli Keller to our Board of Directors for a term of one year.

A stockholder signing and returning the accompanying proxy has power to revoke it at any time prior to its exercise by delivering to the Company a later dated proxy or by giving notice to the Company in writing or at the meeting, but without affecting any vote previously taken.

Record Date

You may vote all shares that you owned as of November 7, 2005, which is the record date for the Annual Meeting. On November 7, 2005, we had 2,734,504 shares of common stock outstanding. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

Ownership Of Shares

If your shares are registered directly in your name, you are the holder of record of these shares, and we are sending these proxy materials directly to you. As the holder of record, you have the right to give your proxy directly to us or vote in person at the Annual Meeting. If you hold your shares in a brokerage

account or through a bank or other holder of record, you hold the shares in street name, and your broker, bank or other holder of record is sending these proxy materials to you. As a holder in street name, you have the right to direct your broker, bank or other holder of record how to vote by filling out a voting instruction form that accompanies your proxy materials. Regardless of how you hold your shares, we invite you to attend the Annual Meeting.

How To Vote

Your Vote Is Important. We encourage you to vote promptly. You may vote in the following way:

By Mail: If you are a holder of record, you can vote by marking, dating, and signing your proxy card and returning it by mail in the enclosed postage-paid envelope. If you hold your shares in street name, please complete and mail the voting instruction card.

At The Annual Meeting: If you vote your shares now it will not limit your right to change your vote at the Annual Meeting if you attend in person. If you hold your shares in street name, you must obtain a proxy, executed in your favor, from the holder of record if you wish to vote your shares at the Annual Meeting.

All shares that have been properly voted and not revoked will be voted at the meeting. If you sign and return your proxy card without any voting instructions, your shares will be voted as the Board of Directors recommends.

Revocation Of Proxies: You can revoke your proxy at any time before your shares are voted if you: (1) send a written notice to our Secretary indicating that you want to revoke your proxy; or (2) deliver to our Secretary a duly executed proxy (or voting instructions if you hold your shares in street name) bearing a later date, which revokes all previous proxies; or (3) attend the meeting in person, give written notice of revocation to the secretary of the meeting prior to the voting of your proxy and vote your shares in person, although your attendance at the meeting will not by itself revoke your proxy.

Quorum And Required Vote

Quorum: We will have a quorum and will be able to conduct the business of the Annual Meeting if the holders of a majority of the votes that shareholders are entitled to cast are present at the meeting, either in person or by proxy.

Vote Required for Proposals: Directors are elected by a plurality of the shares of common stock that are present in person or represented by proxy.

Routine And Non-Routine Proposals: NASDAQ rules determine whether proposals presented at the shareholder meetings are routine or not routine. If a proposal is routine, a broker or other entity holding shares for an owner in street name may vote for the proposal without voting instructions from the owner.

If a proposal is not routine, the broker or other entity may vote on the proposal only if the owner has provided voting instructions. A broker non-vote occurs when the broker or other entity is unable to vote on a proposal because the proposal is not routine and the owner does not provide any instructions.

Under NASDAQ rules, the election of directors is a routine item.

How We Count Votes: In determining whether we have a quorum, we count abstentions and broker non-votes as present and entitled to vote.

In counting votes on the election of directors:

- We do not count abstentions or broker non-votes, if any, as votes cast for the election of directors, but we do count votes withheld for one or more nominees as votes cast.
- Because directors are elected by a plurality, this means that the seven nominees receiving the highest number of FOR votes will be elected. Neither abstentions nor broker non-votes will have any effect in determining the outcome of the election of directors.

INFORMATION CONCERNING THE BOARD OF DIRECTORS AND COMMITTEES AND CORPORATE GOVERNANCE OF THE COMPANY

Our business is managed by the Company's employees under the direction and oversight of the Board of Directors. Except for Mr. Raina, none of our current board members is an employee of the Company. We keep board members informed of our business through discussions with management, materials we provide to them, visits to our offices, and facilities, and their participation in board and board committee meetings. The Board has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The board limits membership of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee to independent non-management directors.

The Audit Committee exercises oversight responsibility regarding the quality and integrity of our auditing and financial reporting practices. In discharging this responsibility, the Audit Committee, among other things, selects the independent registered public accounting firm, pre-approves the audit and any non-audit services to be provided by the auditors and reviews the results and scope of the annual audit performed by the auditors. The Audit Committee currently consists of Messrs. Bhalla (Chairman), Drislane and Rich. After reviewing the qualifications of the current members of the committee, and any relationships they may have with the Company that might affect their independence from the Company, our Board of Directors has determined that (1) all current members of the Audit Committee are independent as that concept is defined in Section 10A of the Securities Exchange Act of 1934, (2) all current members of the Audit Committee are independent as that concept is defined in the NASDAQ listing standards, (3) all current members of the Audit Committee are financially literate, and (4) Mr. Bhalla qualifies as an audit committee financial expert as defined under SEC rules promulgated under the Sarbanes-Oxley Act of 2002. The Audit Committee met three times during 2004. The Audit Committee exercises its authority pursuant to a written charter that was adopted in October 2004 and is attached to this proxy statement as *Exhibit A*.

The Compensation Committee is responsible for approving compensation of officers and directors and administration of our various employee benefit plans. The Compensation Committee operates pursuant to a written charter that is posted on our website at www.ebix.com. The Compensation Committee currently consists of Messrs. Keller (Chairman), Merin and Rich, each of whom is independent as that concept is defined in the NASDAQ listing standards. The Compensation Committee met two times during 2004. The Compensation Committee exercises its authority pursuant to a written charter that was adopted in October 2004 and attached to this proxy statement as *Exhibit B*.

The Corporate Governance and Nominating Committee has responsibility for recommending to the Board of Directors the persons to be nominated for election as directors by stockholders and recommending the persons to be elected by the Board of Directors to fill any vacancies. It also makes recommendations to the Board of Directors concerning the qualifications of members of the Board of Directors' committees, committee member appointment and removal and appointment of committee chairs. In addition, the Corporate Governance and Nominating Committee considers matters of corporate governance generally and reviews and recommends to the Board of Directors, periodically, our Corporate Governance Guidelines. The Corporate Governance and Nominating Committee currently consists of

Messrs. Merin (Chairman), Keller and Hodges, each of whom is independent as that concept is defined in the NASDAQ listing standards. The Corporate Governance and Nominating Committee did not meet in 2004. See Nominating Procedures. The Corporate Governance and Nominating Committee exercises its authority pursuant to a written charter which was adopted in October 2004. Its charter, along with the Audit and Compensation Committee charters and our Corporate Governance Guidelines is posted on our website at www.ebix.com.

The Board of Directors held 19 meetings during 2004. All but one of these meetings was conducted via teleconference. All directors attended at least 75% or more of the meetings in which they were members of the Board of Directors at the time. All committee members attended the various committee meetings.

Corporate Governance Practices And Policies

Our Board of Directors has been carefully following the corporate governance developments that have been taking place as a result of the adoption of the Sarbanes-Oxley Act of 2002, the rules adopted thereunder by the Securities and Exchange Commission (SEC), new NASDAQ listing standards and other corporate governance recommendations. In October 2004, our Board designated a new committee, the Corporate Governance and Nominating Committee, and also adopted new charters for the Audit Committee and the Compensation Committee, as well as our Corporate Governance Guidelines.

Our Corporate Governance Guidelines address, among other things, the Board's composition, qualifications and responsibilities, director education and stockholder communication with directors. These Corporate Governance Guidelines provide that directors are expected to attend our annual meeting of stockholders.

Our Board of Directors also has adopted a Code of Ethics for Senior Financial Officers, which is applicable to our Chief Executive Officer, Chief Operating Officer, Corporate Controller and any other persons designated as senior financial officers. Our Board of Directors also has adopted a Code of Conduct, articulating standards of business and professional ethics, which is applicable to all of our directors, officers and employees. The full texts of the Code of Ethics for Senior Financial Officers and Code of Conduct are available on our website.

Nominating Procedures

The Corporate Governance and Nominating Committee will consider candidates for the Board of Directors from any reasonable source, including stockholder recommendations. The Corporate Governance and Nominating Committee has the authority under its charter to hire and pay a fee to consultants or search firms to assist in the process of identifying and evaluating candidates. No such consultants or search firms have been used to date and, accordingly, no fees have been paid to consultants or search firms in the past fiscal year. The Corporate Governance and Nominating Committee will consider many factors when considering candidates for election to the Board of Directors, including that the proper skills and experiences are represented on the Board of Directors and its committees and that the composition of the Board of Directors and each such committee satisfies applicable legal requirements and the NASDAQ listing standards. Depending upon the current needs of the Board of Directors, certain factors may be weighed more or less heavily by the Corporate Governance and Nominating Committee.

Stockholders who wish to suggest qualified candidates should write to the Secretary, Ebix, Inc., 1900 E. Golf Road, Suite 1050, Schaumburg, Illinois 60173, specifying the name of the candidates and stating in detail the qualifications of such persons for consideration by the Corporate Governance and Nominating Committee. A written statement from the candidate consenting to be named as a candidate and, if nominated and elected, to serve as a director should accompany any such recommendation.

Stockholder Communications

The Board of Directors has provided a means by which stockholders may send communications to the Board or to individual members of the Board. Such communications, whether by letter, e-mail or telephone, should be directed to the Corporate Compliance Officer of the Company who will forward them to the intended recipients. However, unsolicited advertisements or invitations to conferences or promotional material, in the discretion of the Corporate Compliance Officer or his designee, may not be forwarded to the directors.

If a stockholder wishes to communicate to the Chairman of the Audit Committee about a concern relating to the Company's financial statements, accounting practices or internal controls, the concern should be submitted in writing to the Chairman of the Audit Committee in care of the Company's Corporate Compliance Officer at the Company's headquarters address. If the concern relates to the Company's governance practices, business ethics or corporate conduct, the concern likewise should be submitted in writing to the Chairman of the Audit Committee in care of the Company's Corporate Compliance Officer at the Company's headquarters address. If the shareholder is unsure as to which category his or her concern relates, he or she may communicate it to any one of the independent directors in care of the Company's Secretary. The Company's whistleblower policy prohibits the Company or any of its employees from retaliating or taking any adverse action against anyone for raising a concern. If a shareholder or employee nonetheless prefers to raise his or her concern in a confidential or anonymous manner, the concern may be directed to the Corporate Compliance Officer at the Company's headquarters or by telephone at (847) 789-3047.

Independence

We require that a majority of the Board of Directors consist of independent, non-management directors, who also meet the criteria for independence required by the NASDAQ. Under such rules, a director is independent if he or she does not have a material relationship with the Company. Our board annually evaluates each board member's independence status.

The Board of Directors has determined that as of November 7, 2005, 6 of the Company's 7 incumbent directors are independent, including under NASDAQ guidelines: Messrs. Drislane, Rich, Bhalla, Hodges, Keller and Merin. Mr. Raina, as management director, participates in the board's activities and provides valuable insights and advice.

Non-management directors have access to individual members of management or to other employees of the Company on a confidential basis. Directors also have access to Company records and files and directors may contact other directors without informing Company management of the purpose or even the fact of such contact.

Director Compensation

Under the Non-Employee Directors Stock Option Plan (the "1998 Director Option Plan"), each non-employee director, upon initial election or appointment to serve on the Board of Directors, receives a grant of an option to purchase 1,500 shares of Common Stock at an exercise price per share of 100% of the fair market value of a share on the date of the grant. Of the 1,500 shares of Common Stock subject to such an option, the option becomes exercisable with respect to (a) 500 shares on the day prior to the first anniversary of the date of the grant and (b) 125 shares on the last day of each of the eight calendar quarters commencing on the last day of the calendar quarter ending on or after the first anniversary of the date of the grant. Each option has a term of ten years beginning on the date of the grant. Upon appointment to our Board of Directors, each of Messrs. Bhalla, Hodges, Keller and Merin was granted an option to purchase 1,500 shares of Common Stock pursuant to the 1998 Director Option Plan.

In addition, the 1998 Director Option Plan provides for each non-employee director, immediately following each Annual Meeting of our stockholders, to be granted an option to purchase 450 shares of Common Stock at an exercise price per share of 100% of the fair market value of a share of Common Stock on the date of the grant. Of the 450 shares of Common Stock subject to each such option, the option becomes exercisable with respect to 112.5 shares on the last day of each of the four calendar quarters beginning with the calendar quarter ending on or after the date of the grant. Each option has a term of ten years beginning on the date of grant.

In December 2004, our Board of Directors adopted a new compensation program for our non-employee directors, which commenced in 2005. Pursuant to this program, each non-employee director is to receive an annual cash retainer of \$14,000. The Chairman of the Audit Committee is to receive an additional annual fee of \$5,000 and each other member of the Audit Committee and each member of the Compensation Committee is to receive an additional annual fee of \$2,500. Also, each non-employee director is to receive an initial grant on his election to the Board of an option to purchase 1,500 shares, vesting over three years, and an annual grant thereafter of an option to purchase 1,500 shares, including the options automatically awarded under the 1998 Director Option Plan. These options will be granted immediately following each Annual Meeting of stockholders at an exercise price per share of 100% of the fair market value of a share of common stock on the date of grant. These options will become exercisable on the last day of each of the four calendar quarters beginning with the first calendar quarter ending on or after the date of the grant and will have a term of ten years beginning on the date of the grant.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Name of Beneficial Owner (1)	Common Stock	
	Ownership	Percent of Class
BRiT Insurance Holdings PLC (2)	930,163	34.0%
Rennes Foundation (3)	351,899	12.9%
CF Epic Insurance and General Fund (4)	222,223	8.1%
Heart Consulting Pty. Ltd. (5)	157,728	5.8%
Robin Raina (6)	436,444	16.0%
Richard J. Baum (7)	91,632	3.4%
Dennis Drislane (8)	7,850	*%
William W. G. Rich (9)	7,325	*%
Pavan Bhalla (10)	2,750	*%
Paul Hodges (11)	2,250	*%
Hans Ueli Keller (12)	2,400	*%
Kenneth D. Merin (13)	2,400	*%
Hans U. Benz (14)	0	*%
Neil D. Eckert (14)	0	*%
Rolf Herter (14)	0	*%
All directors, executive officers and nominees as a group (11 persons)	553,051	20.2%

* Less than 1%.

(1) The following table sets forth, as of November 7, 2005, the ownership of our Common Stock by each of our directors, by each nominee for election as a director who is not a current director, by each of our Named Executive Officers (as defined on page 12), by all of our current executive officers, directors and nominees as a group, and by all persons known to us to be beneficial owners of more than five percent of our Common Stock. The information set forth in the table as to the current

directors and nominees, executive officers and principal stockholders is based, except as otherwise indicated, upon information provided to us by such persons. Unless otherwise indicated, each person has sole investment and voting power with respect to the shares shown below as beneficially owned by such person.

- (2) The address of BRiT Insurance Holdings PLC is 55 Bishopsgate, London, EC2N 3AS, United Kingdom. The address and information set forth in the table as to this stockholder are based on a Schedule 13D/A filed by this stockholder on October 21, 2002. As of November 7, 2005, BRiT Insurance Holdings PLC owned approximately 70% of the equity interests of CF Epic Insurance and General Fund, but did not have voting or dispositive control over the shares of our Common Stock owned by CF Epic Insurance and General Fund.
- (3) The address of the Rennes Foundation is Aeulestrasse 38, FL 9490 Vaduz, Principality of Liechtenstein. The address and information set forth in the table as to this stockholder are based on a Schedule 13G/A filed by this stockholder on February 12, 2004.
- (4) The address of CF Epic Insurance and General Fund is c/o Simon Shaw, Investment Manager, 55 Bishopsgate, London, EC2N 3AS, United Kingdom.
- (5) These shares are subject to a repurchase commitment by us pursuant to which Heart Consulting Pty. Ltd. may require us to repurchase such shares at any time during January 2006 for an aggregate purchase price of A\$2,000,000 (\$1,399,000 USD) minus any proceeds received by Heart Consulting Pty. Ltd. from earlier sales of any portion of such shares. The address of Heart is C/- PPF Partners, Level 2, 52 Collins Street, Melbourne, Victoria, Australia 3000.
- (6) Mr. Raina's ownership includes 9,758 shares of restricted stock as well as options to purchase 426,251 shares of our common stock which are exercisable as of November 7, 2005, or that will become exercisable within 60 days after that date. The address of Mr. Raina is 5 Concourse Parkway, Suite 3200, Atlanta, Georgia 30328.
- (7) Mr. Baum's ownership includes 4,382 shares of restricted stock as well as options to purchase 87,250 shares of our common stock which are exercisable as of November 7, 2005, or that will become exercisable within 60 days after that date.
- (8) Mr. Drislane's ownership includes options to purchase 7,850 shares of our common stock which are exercisable as of November 7, 2005, or that will become exercisable within 60 days after that date.
- (9) Mr. Rich's ownership includes options to purchase 7,325 shares of our common stock which are exercisable as of November 7, 2005, or that will become exercisable within 60 days after that date.
- (10) Mr. Bhalla's ownership includes options to purchase 2,750 shares of our common stock which are exercisable as of November 7, 2005, or that will become exercisable within 60 days after that date.
- (11) Mr. Hodges's ownership includes options to purchase 2,250 shares of our common stock which are exercisable as of November 7, 2005, or that will become exercisable within 60 days after that date.
- (12) Mr. Keller's ownership includes options to purchase 2,400 shares of our common stock which are exercisable as of November 7, 2005, or that will become exercisable within 60 days after that date.
- (13) Mr. Merin's ownership includes options to purchase 2,400 shares of our common stock which are exercisable as of November 7, 2005, or that will become exercisable within 60 days after that date.

(14) Messrs. Benz, Eckert and Herter are all nominees for the 2006 Ebix Board of Directors. Mr. Benz and Mr. Herter reside in Switzerland. Mr. Eckert resides in Great Britain.

7

PROPOSAL 1. ELECTION OF DIRECTORS

Our bylaws provide for a Board of Directors consisting of not less than four, nor more than eight, directors. The number of directors has been set as seven (7), each of which will be elected at the Annual Meeting. The directors elected will hold office until their successors are elected (which should occur at the next Annual Meeting) and qualified, unless they die, resign or are removed from office prior to that time. In the absence of specific instructions, executed proxies which do not indicate for whom votes should be cast will be voted FOR the election of the nominees named below as directors. In the event that any nominee is unable or declines to serve as a director (which is not anticipated), the proxyholders will vote for such substitute nominee as the Board of Directors recommends or vote to allow the vacancy to remain open until filled by the Board of Directors, as the Board of Directors recommends.

Set forth below is information as to each nominee for director, including age, principal occupation and employment during the past five years, directorships with other publicly-held companies, and period of service as a member of our Board of Directors. Our Board of Directors has determined that all of our non-employee directors and nominees (all of the directors and nominees other than Robin Raina, our Chairman, President and Chief Executive Officer and Richard J. Baum, our Executive Vice President Finance & Administration, Chief Financial Officer and Secretary to Ebix, Inc.) are independent as that concept is defined in the NASDAQ listing standards.

ROBIN RAINA, 39, has been a director at Ebix since February 2000. Mr. Raina joined Ebix, Inc. in October 1997 as our Vice President Professional Services and was promoted to Senior Vice President Sales and Marketing in February 1998. Mr. Raina was promoted to Executive Vice President, Chief Operating Officer in December 1998. Mr. Raina was appointed President effective August 2, 1999, Chief Executive Officer effective September 23, 1999 and Chairman in May 2002. Prior to joining us, from 1990 to 1997, Mr. Raina held senior management positions for Mindware, an international technology consulting firm, serving in Asia and North America. While employed by Mindware, Mr. Raina was responsible for managing projects for multinational corporations, including setting up offshore laboratories, building intranets, managing service bureaus and support centers, providing custom programming, and year 2000 conversions. Mr. Raina holds an Industrial Engineering degree from Thapar University in Punjab, India.

RICHARD J. BAUM, 66, has been Executive Vice President Finance & Administration, Chief Financial Officer and Secretary of Ebix, Inc. since July 21, 1999, having joined Ebix as Senior Controller in June 1999. Since 1988, he has been President of Consulting Capabilities Corp., a general business consulting firm specializing in turnaround and crisis management. His prior executive level posts include Chief Financial Officer of General American Equities (1983-1987), Vice President of American Invesco Corp (1979-1983), Chief Financial Officer of Norlin Music, Inc. (1977-1979), and Chief Financial Officer and member of the Board of Midas International Corp. (1972-1977). He is a CPA and holds an MBA from the University of Chicago.

HANS U. BENZ, 59, is a new nominee to the Board. He has for the last five years been President of the holding group BISON, a Swiss corporation with approximately five hundred employees which develops and implements business solution software in German-speaking parts of Europe. Prior to this position, he was president of a banking software company named BOSS Lab. His business experience extends from wholesale and retail trading to the Swiss private insurance industry. Mr. Benz is currently also a principal investor in HuB Venture Capital Projects.

PAVAN BHALLA, 42, has been a director since June 2004. Mr. Bhalla has served as Senior Vice President Finance of MCI Inc., a global telecommunications company, and presently oversees financial management of MCI's domestic retail business units. Before joining MCI in August 2003, Mr. Bhalla spent over seven years with BellSouth Corporation, a telecommunications company, serving in a variety of executive positions, including Chief Financial Officer of BellSouth Long Distance Inc. from 1999 to 2002,

Corporate Controller of BellSouth Cellular Corp. from 1997 to 1999, and Regional Director of Finance of BellSouth Cellular Corp. from 1996 to 1997.

NEIL D. ECKERT, 43, is a new nominee to the Board. He is currently a director of BRiT Insurance Holdings, PLC. Until April of this year, he served as Chief Executive Officer of BRiT and had been such since 1999. In 1995, he co-founded BRiT as a listed investment trust. Mr. Eckert is also Non-Executive Chairman of Design Technology and Innovation Limited, a patenting and intellectual property company, as well as a director of Ri3K, an internet hub for reinsurance. He was a member of the board of directors of the Benfield Group from 1991 to 2000.

ROLF HERTER, 42, is a new nominee to the Board. He is the managing partner of Naegeli & Streichenberg, Attorneys at Law in Zurich, Switzerland. Naegeli & Streichberg is a mid-sized commercial law firm, and Mr. Herter has practiced law for at least the past eighteen years and he has been managing partner since 2004. Mr. Herter's practice consists primarily of representation of information technology companies, both private and publicly traded. He has served on the board of directors of several companies and is currently serving as a member of the board of directors of YIC Companys Switzerland AG and Roccam Rocca Asset Management AG. He also serves as a supervisor of investments for several Swiss and German companies.

HANS UELI KELLER, 54, has been a director since July 2004. Mr. Keller most recently spent over 20 years with Zurich-based Credit Suisse, a global financial services company, serving as Executive Board Member from 1997 to 2000, Head of Retail Banking from 1993 to 1996, and Head of Marketing from 1985 to 1992. He is presently also serving as Chairman of the Board of Swisscontent Corp. AG, in addition to being a member of the board of directors of KdLabs AG.

Required Vote

The seven nominees receiving the highest number of votes will be elected to the Board of Directors. Stockholders do not have the right to cumulate their votes in the election of directors.

Board Recommendation

Our Board of Directors recommends that you vote **FOR** the election of the nominees for director listed above.

EXECUTIVE OFFICERS

We have two executive officers, Mr. Raina and Richard J. Baum. Information as to both is provided above.

EXECUTIVE COMPENSATION

Compensation Committee Report On Executive Compensation

The Compensation Committee of the Board of Directors reviews and makes recommendations to the Board of Directors regarding salaries, compensation and benefits of officers and other key employees and grants options to purchase Common Stock.