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Majority Of Business Owners See Health Insurance Premiums Rising Over The Next Year

July 2012 SB Authority's Market Sentiment Survey Results

NEW YORK, July 25, 2012 /PRNewswire/ -- Newtek Business Services, NASDAQ: NEWT, <u>The Small Business Authority</u>, with a portfolio of over 100,000 business accounts, announced today the findings of its SB Authority Market Sentiment Survey, a monthly window into the concerns of independent business owners. Based on a poll of over 1,500 respondents, one of the key findings from the July survey is 49% of business owners see their health insurance premiums rising within the next 12 months. Of the remaining respondents, 13% see their premiums decreasing, while 38% believe their premiums will remain the same. Additionally, 69% of business owners surveyed do not plan on re-bidding their health insurance out. Only 16% of respondents plan on re-bidding their health insurance, and 15% are still undecided.

The full July 2012 results showed the following:

Poll Question	Poll Answer	Percentage
Do you see your health insurance premiums rising, decreasing or staying the same within the next 12 months?	Rising	49%
	Decreasing	13%
	Staying the	38%
	same	
Do you plan on re-bidding your health insurance out?	Yes	16%
	No	69%
	Undecided	15%

Barry Sloane, Chairman, President and CEO of *The Small Business Authority* commented, "Despite the fact that only 16% of business owners thought that they would need to re-bid their policy, which is greater than the typical sample, we believe it will be imperative for business owners to begin to plan immediately and understand all of the trends that are inherent in the new health insurance environment. It is clear to us and the market that independent business owners must purchase health insurance for themselves, their families and their employees. There is clearly a new pool of potential insureds as well as the historic legacy buyers. It is also clear to us that the market offerings will be dramatically different and changing with respect to pricing, coverage, prospective providers of health care and overall choice. Newtek — 'The Small Business Authority,' through its nationally licensed insurance agency (Newtek Insurance Agency), has increased its licensed staff to handle the large number of independent business owners who are now mired in a quandary of unknowns. The amount of uncertainly in the market over health insurance and benefits exists on an unprecedented level and we stand by to service small and large employers. Business owners with one employee or 1,000 employees are welcome to call us at 855-2-THESBA to get information and quotes on their options."

About Newtek Business Services, Inc.

Newtek Business Services, *The Small Business Authority*, provides the following products and services:

- <u>Electronic Payment Processing</u>: eCommerce, electronic solutions to accept non-cash payments, including credit and debit cards, check conversion, remote deposit capture, ACH processing, and electronic gift and loyalty card programs.
- Managed Technology Solutions (Cloud Computing): Full-service web host, which offers eCommerce solutions, shared and dedicated web hosting and related services including domain registration and online shopping cart tools.
- eCommerce: A suite of services that enable small businesses to get up and running on-line quickly and cost effectively, with integrated web design, payment processing and shopping cart services.
- Business Lending: Broad array of lending products including SBA 7(a) and SBA 504 loans through our lending subsidiary, Newtek Small Business Finance, Inc.
- Insurance Services: Commercial and personal lines of insurance, including health and employee benefits in all 50 states, working with over 40 insurance carriers.
- Web Services: Customized web design and development services.
- Data Backup, Storage and Retrieval: Fast, secure, off-site data backup, storage and retrieval designed to meet the specific regulatory and compliance needs of any business.
- Accounts Receivable Financing: Receivable purchasing and financing services.
- Payroll: Complete payroll management and processing services.

Newtek Business Services, Inc., <u>The Small Business Authority</u>, is a direct distributor of a wide range of business services and financial products to the small- and medium-sized business market under the Newtek the Newtek brand. Since 1999, Newtek has helped small- and medium-sized business owners realize their potential by providing them with the essential tools needed to manage and grow their businesses and to compete effectively in today's marketplace. Newtek provides its services to over 100,000 business accounts and has positioned the Newtek brand as a one-stop-shop provider of such business services. According to the U.S. Small Business Administration, there are over 27.5 million small businesses in the United States, which in total represent 99.7% of all employer firms.

Note Regarding Forward Looking Statements

Statements in this press release including statements regarding Newtek's beliefs, expectations, intentions or strategies for the future, may be "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, intensified competition, operating problems and their impact on revenues and profit margins, anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. Risk factors, cautionary statements and other conditions, which could cause Newtek's actual results to differ from management's current expectations, are contained in Newtek's filings with the Securities and Exchange Commission and available through http://www.sec.gov.

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