



August 15, 2016

American Independence Corp. Announces 2016 Second-Quarter and Six-Month Results

NEW YORK, Aug. 15, 2016 (GLOBE NEWSWIRE) -- American Independence Corp. (NASDAQ:AMIC) today reported 2016 second-quarter and six-month results.

Financial Results

On March 31, 2016, AMIC completed the sale of IHC Risk Solutions, LLC ("Risk Solutions") and the medical stop-loss business it produced and realized an after tax gain of approximately \$114 million. In addition, under the purchase and sale agreement, all of the in-force medical stop-loss business of Independence American Insurance Company produced by Risk Solutions is 100% co-insured as of January 1, 2016. AMIC's block of medical stop-loss business is in run-off. The sale of Risk Solutions and exit from the medical stop-loss business represents a strategic shift that will have a major effect on the Company's operations and financial results. The disposal transaction qualifies for reporting as discontinued operations in the first quarter of 2016.

AMIC reported net income of \$1.3 million (\$.16 per diluted share) for the three months ended June 30, 2016 compared to \$0.9 million (\$.11 per diluted share) for the three months ended June 30, 2015. Income from continuing operations was \$1.4 million (\$.16 per diluted share), and \$1.0 million (\$.11 per diluted share), for the three months ended June 30, 2016 and 2015, respectively.

AMIC reported net income of \$115.5 million (\$14.22 per diluted share) for the six months ended June 30, 2016 compared to \$1.6 million (\$.20 per diluted share) for the six months ended June 30, 2015. Income from continuing operations was \$1.8 million (\$.19 per diluted share), and \$1.2 million (\$.14 per diluted share), for the six months ended June 30, 2016 and 2015, respectively.

Revenues decreased to \$29.4 million and \$58.8 million for the three months and six months ended June 30, 2016, respectively, compared to revenues of \$42.2 million and \$81.6 million for the three months and six months ended June 30, 2015, respectively, primarily due to the sale of Risk Solutions and the exit from the medical stop-loss business.

Independence Holding Company ("IHC") intends to take the Company private on or about August 31, 2016 by way of a statutory "short-form" merger. As a result, IHC will indirectly own all of the outstanding shares of common stock of AMIC.

About American Independence Corp.

American Independence Corp. (AMIC) is a holding company principally engaged in health insurance and reinsurance. It provides specialized health coverage and related services to commercial customers and individuals. Through Independence American Insurance Company and its other subsidiaries, it offers non-subscriber occupational accident, pet insurance, short-term medical, vision, dental and various supplemental products. Through its subsidiaries IHC Specialty Benefits, Inc. (including through www.healthdeals.com and www.aspiraAmas.com), IPA Direct, LLC and IPA Family, LLC, AMIC markets products underwritten by its affiliated companies and various products (including ACA plans and medical stop-loss) on behalf of unaffiliated carriers.

Forward-Looking Statements

Certain statements and information contained in this release may be considered "forward-looking statements," such as statements relating to management's views with respect to future events and financial performance. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, economic conditions in the markets in which AMIC operates, new federal or state governmental regulation, AMIC's ability to effectively operate, integrate and leverage any past or future strategic acquisition, and other factors which can be found in AMIC's other news releases and filings with the Securities and Exchange Commission. AMIC expressly disclaims any duty to update its forward-looking statements unless required by applicable law.

American Independence Corp.
Condensed Consolidated Statements of Income
(In thousands, except per share data)
(Unaudited)

	<u>Three Months</u>		<u>Six Months</u>	
	<u>Ended June 30,</u>		<u>Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
REVENUES:				
Premiums earned	\$ 21,735	\$ 37,232	\$ 42,831	\$ 73,449
Agency income	5,094	3,639	10,594	6,116
Net investment income	1,155	485	2,625	1,084
Net realized investment gains (losses)	389	211	603	352
Other income	1,073	593	2,195	594
	<u>29,446</u>	<u>42,160</u>	<u>58,848</u>	<u>81,595</u>
EXPENSES				
Insurance benefits, claims and reserves	13,508	25,296	28,474	49,266
Selling, general and administrative expenses	13,573	15,168	27,079	30,120
Amortization and depreciation	303	217	583	332
	<u>27,384</u>	<u>40,681</u>	<u>56,136</u>	<u>79,718</u>
Income from continuing operations before income taxes	2,062	1,479	2,712	1,877
Provision for income taxes	669	527	903	667
	<u>1,393</u>	<u>952</u>	<u>1,809</u>	<u>1,210</u>
Income from continuing operations	1,393	952	1,809	1,210
Discontinued operations:				
Income (loss) from discontinued operations, before income taxes	-	(18)	122,034	819
Income taxes on discontinued operations	(22)	(4)	8,047	320
Income (loss) from discontinued operations	<u>22</u>	<u>(14)</u>	<u>113,987</u>	<u>499</u>
Net income	1,415	938	115,796	1,709
Less: Net (income) loss attributable to the non-controlling interest	88	51	266	100
	<u>1,327</u>	<u>887</u>	<u>115,530</u>	<u>1,609</u>
Net income attributable to American Independence Corp.	\$ 1,327	\$ 887	\$ 115,530	\$ 1,609
Basic income per common share:				
Income from continuing operations	\$.16	\$.11	\$.19	\$.14
Income from discontinued operations	-	-	14.06	.06
Basic income per common share	<u>\$.16</u>	<u>\$.11</u>	<u>\$ 14.25</u>	<u>\$.20</u>
Weighted-average shares outstanding	<u>8,119</u>	<u>8,079</u>	<u>8,110</u>	<u>8,079</u>
Diluted income per common share:				
Income from continuing operations	\$.16	\$.11	\$.19	\$.14
Income from discontinued operations	-	-	14.03	.06
Diluted income per common share	<u>\$.16</u>	<u>\$.11</u>	<u>\$ 14.22</u>	<u>\$.20</u>
Weighted-average diluted shares outstanding	<u>8,148</u>	<u>8,094</u>	<u>8,125</u>	<u>8,093</u>

American Independence Corp.
Condensed Consolidated Balance Sheets
(In thousands, except per share data)

	June 30, 2016 (Unaudited)	December 31, 2015
ASSETS:		
Investments:		
Securities purchased under agreements to resell	\$ 7,527	\$ 4,595
Fixed maturities available-for-sale, at fair value	201,707	84,933
Equity securities available-for-sale, at fair value	<u>2,608</u>	<u>2,594</u>
Total investments	211,842	92,122
Cash and cash equivalents	7,824	4,861
Restricted cash	1,379	1,377
Accrued investment income	1,626	727
Premiums receivable	15,988	16,654
Net deferred tax asset	14,723	13,944
Due from reinsurers	36,161	4,950
Goodwill	5,703	5,703
Intangible assets	12,814	13,327
Due from securities brokers	403	1,051
Other assets	12,623	10,540
Assets attributable to discontinued operations (Note 3)	<u>-</u>	<u>31,718</u>
TOTAL ASSETS	\$ <u>321,086</u>	\$ <u>196,974</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
LIABILITIES:		
Policy benefits and claims	\$ 47,512	\$ 43,764
Premium and claim funds payable	1,379	1,377
Commission payable	7,294	5,817
Accounts payable, accruals and other liabilities	10,396	11,192
Debt	2,025	3,189
State income taxes payable	5,904	-
Due to securities brokers	1,973	-
Due to reinsurers	18,436	100
Liabilities attributable to discontinued operations (Note 3)	<u>953</u>	<u>24,337</u>
Total liabilities	<u>95,872</u>	<u>89,776</u>
STOCKHOLDERS' EQUITY:		
American Independence Corp. stockholders' equity:		
Preferred stock, \$0.10 par value, 1,000 shares designated; no shares issued and outstanding	-	-
Common stock, \$0.01 par value, 15,000,000 shares authorized; 9,181,793 shares issued, respectively; 8,118,551 and 8,088,105 shares outstanding, respectively	92	92
Additional paid-in capital	88,658	88,637
Accumulated other comprehensive gain (loss)	1,740	(197)
Treasury stock, at cost, 1,063,242 and 1,093,688 shares, respectively	(9,878)	(10,161)
Retained earnings	<u>141,026</u>	<u>25,549</u>
Total American Independence Corp. stockholders' equity	221,638	103,920
Non-controlling interest in subsidiaries	<u>3,576</u>	<u>3,278</u>
Total equity	<u>225,214</u>	<u>107,198</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>321,086</u>	\$ <u>196,974</u>

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