



August 1, 2016

American Independence Corp. Announces 2016 First-Quarter Results

NEW YORK, Aug. 01, 2016 (GLOBE NEWSWIRE) -- American Independence Corp. (NASDAQ:AMIC) today reported 2016 first-quarter results.

Financial Results

AMIC completed the sale of IHC Risk Solutions LLC ("Risk Solutions") and the medical stop-loss business it produced on March 31, 2016 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 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 \$114.2 million (\$14.10 per diluted share) for the three months ended March 31, 2016 compared to \$0.7 million (\$.09 per diluted share) for the three months ended March 31, 2015. Income from continuing operations was \$0.4 million (\$.03 per diluted share), and \$0.3 million (\$.03 per diluted share), for the three months ended March 31, 2016 and 2015, respectively.

Revenues decreased to \$29.4 million for the three months ended March 31, 2016 compared to revenues of \$39.4 million for the three months ended March 31, 2015, primarily due to the sale of Risk Solutions and the exit from the medical stop-loss business.

Independence Holding Company ("IHC") has announced a "going private" transaction by way of a statutory "short-form" merger of AMIC with and into AMIC Holdings, Inc. ("Holdings"), a newly formed subsidiary into which IHC and one of its subsidiaries will contribute their shares of AMIC common stock, with Holdings continuing as the surviving corporation. Once the transaction is consummated, Holdings will own all of the outstanding shares of common stock of AMIC. IHC is under no obligation to consummate the merger and could decide to withdraw from the transaction at any time before it becomes effective.

Chief Executive Officer's Comments

Roy T. K. Thung, Chief Executive Officer, commented, "Our financial condition and balance sheet remain strong. As previously announced, AMIC completed the sale of IHC Risk Solutions LLC and the stop-loss business it produced on March 31, 2016 and realized an after tax gain of approximately \$114 million. AMIC has re-positioned itself as a specialty health underwriter and sales and marketing company, and produced solid growth and underwriting results in these lines in the first quarter. Our occupational accident line has been underperforming, and we are implementing changes to improve our results."

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)

	Three Months	
	Ended March 31,	
	2016	2015
REVENUES:		
Premiums earned	\$ 21,096	\$ 36,217
Agency income	5,500	2,477
Net investment income	1,470	599
Net realized investment gains (losses)	214	141
Other income	1,122	1
	<u>29,402</u>	<u>39,435</u>
 EXPENSES		
Insurance benefits, claims and reserves	14,966	23,970
Selling, general and administrative expenses	13,506	14,952
Amortization and depreciation	280	115
	<u>28,752</u>	<u>39,037</u>
Income from continuing operations before income taxes	650	398
Provision for income taxes	234	140
	<u>416</u>	<u>258</u>
Income from continuing operations	416	258
Discontinued operations: (Note 3)		
Income from discontinued operations, before income taxes	122,034	837
Income taxes on discontinued operations	8,069	324
Income from discontinued operations	<u>113,965</u>	<u>513</u>
Net income	114,381	771
Less: Net (income) loss attributable to the non-controlling interest	<u>178</u>	<u>49</u>
Net income attributable to American Independence Corp.	<u>\$ 114,203</u>	<u>\$ 722</u>
Basic income per common share:		
Income from continuing operations	\$.03	\$.03
Income from discontinued operations	<u>14.07</u>	<u>.06</u>
Basic income per common share	<u>\$ 14.10</u>	<u>\$.09</u>
Weighted-average shares outstanding	<u>8,101</u>	<u>8,079</u>
Diluted income per common share:		
Income from continuing operations	\$.03	\$.03
Income from discontinued operations	<u>14.04</u>	<u>.06</u>
Basic income per common share	<u>\$ 14.07</u>	<u>\$.09</u>
Weighted-average diluted shares outstanding	<u>8,119</u>	<u>8,094</u>

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

	March 31, 2016 (Unaudited)	December 31, 2015
ASSETS:		
Investments:		
Securities purchased under agreements to resell	\$ 1,629	\$ 4,595
Fixed maturities available-for-sale, at fair value	181,158	84,933
Equity securities available-for-sale, at fair value	<u>2,603</u>	<u>2,594</u>
 Total investments	 185,390	 92,122
 Cash and cash equivalents	 134,415	 4,861
Restricted cash	966	1,377
Accrued investment income	769	727
Premiums receivable	16,005	16,654
Net deferred tax asset	15,848	13,944
Due from reinsurers	19,987	4,950
Goodwill	5,703	5,703
Intangible assets	13,086	13,327
Due from securities brokers	111	1,051
Other assets	18,037	10,540
Assets attributable to discontinued operations	<u>-</u>	<u>31,718</u>
 TOTAL ASSETS	 <u>\$ 410,317</u>	 <u>\$ 196,974</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY:		
LIABILITIES:		
Policy benefits and claims	\$ 47,386	\$ 43,764
Premium and claim funds payable	966	1,377
Commission payable	8,444	5,817
Accounts payable, accruals and other liabilities	13,346	11,192
Debt	2,250	3,189
State income taxes payable	5,882	-
Due to securities brokers	99,777	-
Due to reinsurers	8,896	100
Liabilities attributable to discontinued operations	<u>953</u>	<u>24,337</u>
 Total liabilities	 <u>187,900</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; 8,101,883 and 8,088,105 shares outstanding, respectively	92	92
Additional paid-in capital	88,648	88,637
Accumulated other comprehensive gain (loss)	484	(197)
Treasury stock, at cost, 1,079,910 and 1,093,688 shares, respectively	(10,033)	(10,161)
Retained earnings	<u>139,749</u>	<u>25,549</u>
Total American Independence Corp. stockholders' equity	218,940	103,920
Non-controlling interest in subsidiaries	<u>3,477</u>	<u>3,278</u>
Total equity	<u>222,417</u>	<u>107,198</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 410,317</u>	<u>\$ 196,974</u>

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