



May 7, 2015

American Independence Corp. Announces 2015 First-Quarter Results

NEW YORK, May 7, 2015 (GLOBE NEWSWIRE) -- American Independence Corp. (Nasdaq:AMIC) today reported 2015 first-quarter results.

Financial Results

AMIC reported net income of \$0.7 million (\$.09 per diluted share) for the three months ended March 31, 2015 compared to \$0.6 million (\$.08 per diluted share) for the three months ended March 31, 2014.

Revenues increased to \$43.6 million for the three months ended March 31, 2015 compared to revenues of \$43.1 million for the three months ended March 31, 2014, primarily due to an increase in premiums offset by a decrease in agency income.

Chief Executive Officer's Comments

Roy T. K. Thung, Chief Executive Officer, commented, "We are pleased with the continuing growth in earned premium and with the profitability of business written by IHC Risk Solutions. We expect continued improvement in this line of business, as evidenced by the 39% growth in our direct business written for the twelve months ended April 2015, while maintaining consistent profit margins on a growing premium base. With respect to our fully insured operating companies, we continue to build out the direct-to-consumer distribution that is essential to our future growth as a specialty health company, and we are pleased with the growth and profitability of our ancillary lines of business. Our financial condition and balance sheet remain strong. We have no debt and have grown our book value to \$11.48 per share at March 31, 2015 from \$11.34 per share at December 31, 2014."

Change in Accounting Principle

AMIC was acquired in a series of transactions by Independence Holding Company ("IHC") beginning in 2002 with a 19.9% equity investment and culminating in its current ownership of approximately 92%. In March 2010, IHC increased its ownership to over 50% and, in accordance with generally accepted accounting principles in the United States ("GAAP"), IHC established a new basis for AMIC's assets and liabilities in IHC's consolidated financial statements based on the fair value of AMIC's identifiable assets and liabilities assumed at that time. AMIC did not "push down" the new basis for its assets and liabilities; instead, AMIC maintained its historical basis in its assets and liabilities for the purpose of issuing its separate standalone financial statements. Accordingly, the reporting basis for AMIC's assets and liabilities included in the consolidated financial statements of IHC were different from the reporting basis for AMIC's assets and liabilities included in AMIC's previously reported separate standalone financial statements. During the second quarter of 2014, due to the lifting of certain restrictions and requirements relating to IHC's ownership of AMIC stock, AMIC has elected, for all periods presented, to reflect IHC's basis.

As a result of the above-mentioned change in accounting principle, the consolidated financial statements and financial information of AMIC reported prior to June 30, 2014 are not directly comparable to the financial statements and financial information of AMIC included in this news release. The differences relate to the write-off of goodwill, basis differences in intangible assets and related amortization, other assets, other investments, non-controlling interests in subsidiaries, taxes and related tax provisions, net income, additional paid-in capital, retained earnings and total shareholders' equity (including a corresponding change in book value per share). See Notes to Condensed Consolidated Financial Statements included in the March 31, 2015 Form 10-Q for the impact of this adoption on AMIC's condensed consolidated statements of income for the period ended March 31, 2014. The restatement resulted in the reduction of book value per share to correspond with IHC's carrying basis in AMIC.

About American Independence Corp.

American Independence Corp. 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 medical stop-loss, non-subscriber occupational accident, pet insurance, group major medical, short-term medical, vision, dental and various supplemental products, which are

marketed through its subsidiaries IHC Specialty Benefits, Inc., IPA Direct, LLC and IPA Family, LLC. AMIC markets medical stop-loss through its marketing and administrative company IHC Risk Solutions, LLC.

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 American Independence Corp. (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)**

	Three Months Ended	
	March 31,	
	2015	2014
Premiums earned	\$ 36,217	\$ 32,484
Fee and agency income	6,542	9,976
Net investment income	612	536
Net realized investment gains	141	48
Other income	<u>45</u>	<u>43</u>
Revenues	<u>43,557</u>	<u>43,087</u>
Insurance benefits, claims and reserves	23,970	21,786
Selling, general and administrative expenses	18,065	19,649
Amortization and depreciation	<u>287</u>	<u>428</u>
Expenses	<u>42,322</u>	<u>41,863</u>
Income before income tax	1,235	1,224
Provision for income taxes	<u>464</u>	<u>342</u>
Net income	771	882
Less: Net income attributable to the non-controlling interest	<u>(49)</u>	<u>(240)</u>
Net income attributable to American Independence Corp.	<u>\$ 722</u>	<u>\$ 642</u>
Basic income per common share:		
Net income attributable to American Independence Corp. common stockholders	<u>\$.09</u>	<u>\$.08</u>
Weighted-average shares outstanding	<u>8,079</u>	<u>8,073</u>

Diluted income per common share:

Net income attributable to American Independence Corp. common stockholders	<u>\$.09</u>	<u>\$.08</u>
Weighted-average diluted shares outstanding	<u>8,094</u>	<u>8,098</u>

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

	March 31, 2015	December 31, 2014
ASSETS:		
Investments:		
Securities purchased under agreements to resell	\$ 6,819	\$ 3,143
Trading securities	1,203	1,138
Fixed maturities available-for-sale, at fair value	74,109	73,608
Equity securities available-for-sale, at fair value	<u>1,020</u>	<u>1,013</u>
Total investments	83,151	78,902
Cash and cash equivalents	3,482	4,569
Restricted cash	23,839	18,881
Accrued investment income	682	652
Premiums receivable	17,106	13,257
Net deferred tax asset	11,430	12,025
Due from reinsurers	5,494	5,532
Intangible assets	9,689	9,915
Accrued fee income	4,470	4,469
Due from securities brokers	171	293
Other assets	<u>18,176</u>	<u>17,286</u>
TOTAL ASSETS	<u>\$ 177,690</u>	<u>\$ 165,781</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
LIABILITIES:		
Policy benefits and claims	\$ 35,673	\$ 33,616
Premium and claim funds payable	23,839	18,881
Commission payable	5,950	4,672
Accounts payable, accruals and other liabilities	13,398	11,283
State income taxes payable	605	597
Due to securities brokers	1,922	58
Due to reinsurers	<u>751</u>	<u>2,334</u>
Total liabilities	<u>82,138</u>	<u>71,441</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; 8,079,215 shares outstanding, respectively	92	92
Additional paid-in capital	79,757	79,746
Accumulated other comprehensive gain (loss)	276	(154)
Treasury stock, at cost, 1,102,578 shares, respectively	(10,243)	(10,243)
Retained earnings	<u>22,838</u>	<u>22,139</u>
Total American Independence Corp. stockholders' equity	<u>92,720</u>	<u>91,580</u>
Non-controlling interest in subsidiaries	2,832	2,760
Total equity	<u>95,552</u>	<u>94,340</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 177,690</u></u>	<u><u>\$ 165,781</u></u>

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