

# Independence Holding Company Announces Expansion of Technology-Driven Direct-to-Consumer Solutions

April 22, 2019

STAMFORD, Conn., April 22, 2019 (GLOBE NEWSWIRE) -- Independence Holding Company (NYSE: IHC) today announced the acquisition of a call center in order to capitalize on technology-driven trends in the purchase of health insurance directly by consumers.

David Kettig, President of IHC, commented, "IHC Specialty Benefits, a division of IHC, is a significant standalone insurance agency with a growing block of over \$180 million of premiums. The agency has historically sold IHC-underwritten health insurance in the under-65 market, but is now entering new markets, expanding its carrier choices and product options, and implementing scalable direct-to-consumer (D2C) technology-driven solutions. By linking individuals and small employer groups to U.S. health insurance carriers (including IHC's insurers), IHC Specialty Benefits can better serve the growing demand for D2C health insurance options by delivering an end-to-end experience to the consumer.

So far this year, we have accomplished a number of goals, including: (i) significant improvement of our sales and enrollment platforms, primarily as a result of the acquisition of My1HR, (ii) expansion of our career agency (i.e. independent agents selling products exclusively on our platforms) through deployment of a new management team and recruitment of new agents, (iii) executing on the previously announced acquisition of a sales and customer service center, which will immediately bring us to more than 100 licensed employee agents, and (iv) growing our lead generation capabilities as a consequence of continued investment in organic properties and technology driven solutions. We will implement the next phase of the expansion of our agency by: (i) entering the senior market by May 1<sup>st</sup> and fully deployed in time for the Medicare Annual Enrollment Period (AEP), (ii) developing and deploying a platform that will allow employees of small employer groups to perform side-by-side comparisons of various employee benefit coverages, (iii) significantly growing the agent count in our highly scalable call center model, (iv) filing individual vision plans that will be available to all age groups in conjunction with a leading vision network, and (v) deploying a revamped mobile experience in line with our intentions of growing our "insuretech" footprint. The key to the success of all of these endeavors starts with generating sufficient leads at affordable prices. We have a network of outside lead generators and are increasing our marketing through affinity groups, including servicing USAA members seeking health insurance. In addition, we are undertaking efforts that we expect will reduce our overall cost of lead generation, while guaranteeing a consistent supply of in-house leads to fuel our growth. These initiatives include: (i) investing in a digital marketing agency which will drive exclusive lead traffic in the under and over age 65 health insurance space, as well as the pet insurance market, (ii) partnering with leading search marketing firms to drive exclusive lead traffic, and (iii) acquiring additional web domains and employing enhanced search engine optimization (SEO) expertise to maximize lead traffic through currently owned web domains.

One of the drivers of the growth in the direct-to-consumer space is that Americans who are aging into Medicare, which is estimated to be 10,000 per day, are now generally savvy in using technology to make informed decisions on health insurance. Seniors qualifying for Medicare today are more proficient at purchasing on-line, and all age groups are expressing the desire to be offered options when purchasing health insurance. For example, prior to retirement, many seniors enjoyed group dental and vision plans through their employers. These seniors are often very interested in purchasing individual dental and vision plans when they retire, and they are comfortable doing so on-line or with the assistance of a call center agent.

To address this demand, we continue to invest in and improve our platforms, and we expect to be selling to the senior market in the third quarter utilizing a platform featuring Medicare Supplement and Medicare Advantage products as well as an array of ancillary products from leading insurance companies, including our senior vision and dental plans.

By the end of the third quarter of this year, IHC will be uniquely situated, through its vertically integrated structure, to better serve the growing demand for D2C health insurance options by delivering an end-to-end experience to the consumer, including a broad base of products across the entire spectrum of age groups and needs. We will provide state-of-the-art on-line and mobile tools linking individuals and families in need of insurance coverage (whether they are retired, self-employed or work for a small employer group that does not offer employee benefits or they are seeking to protect against veterinary expenses) to highly rated insurance companies. Our enterprise will include: (i) digital marketing and website domains that will drive exclusive lead traffic for ancillary health and pet insurance, (ii) exchanges that will permit individuals to perform side-by-side comparisons of various employee benefit and pet insurance coverages, (iii) sales and customer service centers with licensed employee agents available to respond to consumer questions; (iv) a wholly owned insurance company, licensed in all 50 states, which will have the broadest mix of ancillary health and pet insurance in the country, and (v) access to other highly rated insurers for life, senior and P&C products."

## **About The IHC Group**

Independence Holding Company (NYSE: IHC), formed in 1980, is a holding company that is principally engaged in underwriting, administering and/or distributing group and individual specialty benefit products, including disability, supplemental health, pet, and group life insurance through its subsidiaries (Independence Holding Company and its subsidiaries collectively referred to as "The IHC Group"). The IHC Group consists of three insurance companies (Standard Security Life Insurance Company of New York, Madison National Life Insurance Company, Inc. and Independence American Insurance Company), and IHC Specialty Benefits, Inc., a technology-driven full-service marketing and distribution company that focuses on small employer and individual consumer products through general agents, telebrokerage, call centers, private label arrangements, and through the following brands: [www.HealthDeals.com](http://www.HealthDeals.com); Health eDeals Advisors; [www.PetPartners.com](http://www.PetPartners.com); [www.PetPlace.com](http://www.PetPlace.com), and [My1HR](http://My1HR.com).

## **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 IHC operates, new federal or state governmental regulation, IHC's ability to effectively operate, integrate and leverage any past or future strategic acquisition, and other factors which can be found in IHC's other news releases and filings with the Securities and Exchange Commission. IHC expressly disclaims any duty to update its forward-looking statements unless required by applicable law.

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Source: Independence Holding Company