

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

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STAMFORD, Conn., June 17, 2019 (GLOBE NEWSWIRE) -- Independence Holding Company (NYSE: IHC) today announced an investment in a lead generation company and the acquisition of a leading domain for the generation of health insurance leads.

David Kettig, President of IHC, commented, "IHC Specialty Benefits, a significant standalone insurance agency with a growing block of over \$180 million of premiums, continues to expand to serve the increasing demand for Direct to Consumer (D2C) products. Our agency is unique in that it markets both health insurance options to all age groups and pet insurance, and does so both through an on-line transactional exchange and through call center employees and career agents (i.e. independent agents selling products exclusively on our platforms).

As a result of the aforementioned investments, we have executed on our previously announced goals of: (i) investing in a digital marketing agency that will drive exclusive lead traffic in the under and over age 65 health insurance space as well as for pet insurance, (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. These capabilities augment our network of outside lead generators and affinity groups, including servicing USAA members seeking health insurance and American Kennel Club (AKC) registrants seeking pet insurance. Purchasing third-party leads is not optimal from either a cost or quality perspective, and for this reason we have shifted our focus to the production of "in-house" lead traffic. This significant effort will result in a reduction to the overall cost of lead generation, while improving quality and guaranteeing a consistent supply of in-house leads. This would facilitate further expansion of our call centers and career agents, which are highly scalable, and in turn would generate significantly greater increases in premium production.

We continue to make progress on: (i) improving our sales and enrollment platforms, which has made it possible to sell products for other insurance companies, (ii) expanding our career agency through deployment of a new management team and recruitment of new agents, (iii) integrating and expanding the sales and customer service center we recently acquired, and (iv) entering the senior market by deploying Medicare Advantage, Medicare Supplement and ancillary products designed for those over age 65 in time for the Medicare Annual Enrollment Period (AEP).

We believe that IHC is well 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 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 now includes: (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 we believe has 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.

We are optimistic that our prospects will be further enhanced by the recent issuance of a final regulation by the U.S. Departments of Health and Human Services, Labor, and the Treasury that will expand the use of excepted benefit health reimbursement accounts (HRAs) to purchase short-term medical in certain situations. The Departments stated that they believe this will provide hundreds of thousands of employers, including small businesses, and millions of American workers more options for health insurance coverage."

## **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), [www.medicareresources.org](http://www.medicareresources.org), [www.dentalinsurance.com](http://www.dentalinsurance.com), [www.PetPartners.com](http://www.PetPartners.com), [www.PetPlace.com](http://www.PetPlace.com), [www.my1hr.com](http://www.my1hr.com) and Healthdeals Advisors.

## **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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