



IHC Announces Agreement to Sell Madison National Life to Horace Mann Educators Corporation

July 14, 2021

STAMFORD, Conn., July 14, 2021 (GLOBE NEWSWIRE) -- Independence Holding Company (NYSE: IHC) today reported its agreement to sell Madison National Life Insurance Company, Inc. ("Madison National") to Horace Mann Educators Corporation (NYSE: HMN).

IHC and its wholly owned subsidiary Independence Capital Corp. ("ICC") entered into a Stock Purchase Agreement (the "Purchase Agreement") with Horace Mann Educators Corporation ("Horace Mann") to sell all of the issued and outstanding capital stock of Madison National, a Wisconsin insurance company wholly owned by ICC, for an aggregate purchase price of \$172.5 million in cash; in addition, if Madison National reaches specified financial targets in 2023, IHC will receive an additional purchase price of up to \$12.5 million. The transaction has been approved by the Board of Directors of IHC, and IHC's majority stockholders have agreed to approve the transaction. The closing is expected no earlier than January 1, 2022; the transaction is subject to customary closing conditions, including applicable regulatory approvals, one of which is the approval by the Wisconsin Office of the Commissioner of Insurance.

IHC also announced that Robert J. Stubbe has been promoted to President of Madison National until the transaction closes. Quarles & Brady LLP is providing external legal counsel to IHC in connection with the sale transaction.

Roy T. K. Thung, Chief Executive Officer, commented, "We are extremely pleased with the three transactions entered into this year for the sale of Madison National to Horace Mann, Standard Security Life Insurance Company of New York to Reliance Standard Life Insurance Company and our pet business, including Independence American Insurance Company and PetPartners, Inc., to Iguana Capital, Inc. While IHC is awaiting regulatory approval of these transactions, once approved, and the sales close, IHC will hold a very substantial amount of cash and investments; a 30% interest in Iguana Capital, Inc.; and will continue to expand our health insurance agency. Agency operations include captive call centers and independent advisors, both of which market to consumers over and under the age of 65, a Telebrokerage unit which contracts with 1000's of third-party agents and agencies, our ACA Web Broker, INXScloud, which enrolls in excess of 300,000 ACA members annually, and a digital marketing and lead generation company which manages multiple digital platforms and assets."

About Independence Holding Company

Independence Holding Company (NYSE: IHC), through our current subsidiaries, underwrites and distributes health, group disability and life, New York State DBL and paid family leave, and pet insurance. IHC underwrites policies in all 50 states, Washington D.C., Puerto Rico and the U.S. Virgin Islands through our three carriers: Independence American Insurance Company, Standard Security Life Insurance Company of New York ("Standard Security Life") and Madison National Life Insurance Company, Inc. ("Madison National Life"). We also distribute products nationally through multiple channels, including our agencies, call centers, advisors, direct and affinity relationships, Web Broker, and web properties, including www.healthdeals.com; www.healthinsurance.org; www.medicareresources.org; www.petplace.com; and www.inxscloud.com. As previously announced, IHC has entered into stock purchase agreements to sell all of the issued and outstanding capital stock of Standard Security Life, Madison National Life and Independence American Holdings Corp., which includes Independence American Insurance Company and other assets of IHC's pet business, each subject to regulatory approval. To learn more, visit <https://ihcgroup.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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