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## **Executive Order Directs Expansion of Availability of Short Term Health Insurance and Access to Association Health Plans**

STAMFORD, Conn., Oct. 12, 2017 (GLOBE NEWSWIRE) -- Independence Holding Company (NYSE:IHC) today commented on an expected increase in sales as a result of President Trump's directive to extend duration of temporary health insurance plans. IHC is also evaluating underwriting opportunities that may develop from the expected expansion of Association Health Plans, which was also directed by the Executive Order Promoting Healthcare Choice and Competition Across the United States (the "Order").

The Order notes that short-term medical insurance (STM) is "an appealing and affordable alternative to government-run exchanges for many people without coverage available to them through their workplaces." The Order directs the lifting of restrictions imposed by the previous administration, which "took steps to restrict access to this market by reducing the allowable coverage period from less than 12 months to less than 3 months and by preventing any extensions selected by the policyholder beyond 3 months of total coverage." As a leader since 2005 in underwriting STM, sometimes also referred to as short-term limited duration insurance, IHC expects to significantly increase sales of not only STM, but also hospital indemnity, Fusion (an STM policy packaged with first dollar hospital indemnity coverage), and our other specialty health products. In anticipation of increased sales of these products, IHC has made substantial investments in improving its infrastructure, and we are confident that we are prepared for significant volume increases. The Departments of Treasury, Labor and Health and Human Services have been directed by President Trump to propose regulations or revise guidance within 60 days to expand the availability of STM, and have been directed to "consider allowing such insurance to cover longer periods and be renewed by the consumer." IHC selectively distributes these products through co-branded arrangements with many of the largest health insurers and e-brokers in the country, as well as through IHC's own distribution channels, including HealthDeals, HealthDeals Advisors, and AspiraAMas.

David Kettig, President and Chief Operating Officer, commented "STM has for many years filled a vital purpose for individuals with limited duration health insurance needs, and was specifically permitted by the Affordable Care Act. In our experience, STM is primarily purchased by people between jobs, people in counties with only a single insurer offering exchange plans, people with limited coverage networks and people who missed the open enrollment period but still want insurance. When STM is coupled with our hospital indemnity coverage, individuals have very affordable first-dollar hospitalization coverage coupled with limited duration catastrophic insurance. We are seeing significant interest in our specialty health products, and we expect the demand to intensify as a result of the Order."

Mr. Kettig continued, "IHC is also studying President Trump's directive to expand access to Association Health Plans (AHPs). As noted in the Order, 'expanding access to AHPs would provide more affordable health insurance options to many Americans, including hourly wage earners, farmers, and the employees of small businesses and entrepreneurs that fuel economic growth.' IHC has extensive experience in underwriting small businesses and individuals. We are now actively evaluating underwriting opportunities arising from the proposed expansion of AHPs, which would provide even more options for small businesses, and perhaps individuals, to purchase affordable health insurance."

### ***About The IHC Group***

Independence Holding Company (NYSE:IHC) 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 since 1980. The IHC Group owns 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 insurance sales and marketing company that creates value for insurance producers, carriers and consumers (both individuals and small businesses) through a suite of proprietary tools and products (including ACA plans and small group medical stop-loss). All products are placed with highly rated 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 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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