

STIFEL FINANCIAL CORP
Form DEF 14A
September 28, 2005
SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act Of 1934 (Amendment No.)

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
 - [X] Definitive Proxy Statement
 - [] Definitive Additional Materials
 - [] Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12
- [] Confidential, for Use of the Commission
Only (as permitted by Rule 14a-6(e)(2))

Stifel Financial Corp.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
 - [] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
(Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Dated Filed:

STIFEL FINANCIAL CORP.

One Financial Plaza

501 North Broadway

St. Louis, Missouri 63102-2102

(314)342-2000

St. Louis, Missouri

September 26, 2005

To the Stockholders of

Stifel Financial Corp.:

We cordially invite you to attend a special meeting of the stockholders of Stifel Financial Corp. The meeting will be held on Wednesday, October 26, 2005, at 11 a.m. on the 2nd Floor, One Financial Plaza, 501 North Broadway, St Louis, Missouri. One Financial Plaza is located on the southwest corner of Washington and Broadway in downtown St. Louis.

The purpose of the Special Meeting is to approve and adopt the second amendment and restatement of the Stifel Financial Corp. 2001 Incentive Stock Plan to increase the number shares available for issuance under the Plan. Only holders of record of Stifel's Common Stock at the close of business on September 26, 2005 will be entitled to vote. Please take the time to carefully read the description of the proposal in the attached proxy statement.

Thank you for your support of Stifel.

STIFEL FINANCIAL CORP.

/s/ Ronald J. Kruszewski

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Ronald J. Kruszewski
Chairman of the Board and Chief Executive Officer

This proxy statement and the accompanying proxy card are

being mailed to Stifel stockholders beginning about September 27, 2005.

Even though you may plan to attend the meeting in person,

please mark, date, and execute the enclosed proxy and mail it promptly. A postage-paid return envelope is enclosed for your convenience.

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STIFEL FINANCIAL CORP.

One Financial Plaza

501 North Broadway

St. Louis, Missouri 63102-2102

(314)342-2000

NOTICE OF SPECIAL MEETING OF

THE STOCKHOLDERS OF

STIFEL FINANCIAL CORP.

TO BE HELD OCTOBER 26, 2005

St. Louis, Missouri

September 26, 2005

Dear Stockholder

A special meeting of stockholders of Stifel Financial Corp. will be held on the 2nd Floor, One Financial Plaza, 501 North Broadway, St. Louis, Missouri, on Wednesday, October 26, 2005, at 11:00 a.m., for the following purposes:

1. To approve and adopt a second amendment and restatement of the Stifel Financial Corp. 2001 Incentive Stock Plan (the "Plan"), to increase the number shares available for issuance under the Plan by 2,000,000 shares, to increase the maximum number of shares that may be issued to an individual in any calendar year from 133,000 shares to 200,000 shares and to increase the trigger for change of control events from 15% to 20%; and
2. To consider and act upon such other business as may properly come before the meeting and any adjournment thereof.

The record date for the determination of stockholders entitled to receive notice of and to vote at the special meeting and any adjournment thereof has been fixed as the close of business on September 26, 2005. A stockholder list dated as of the record date will be available for inspection by any stockholder at our offices in St. Louis, Missouri for ten days prior to the special meeting.

We cordially invite you to attend the special meeting. Even if you plan to be present at the meeting in person, you are requested to date, sign and return the enclosed proxy card in the envelope provided so that your shares will be represented. The mailing of an executed proxy card will not affect your right to vote in person should you later decide to attend the special meeting.

By Order of the Board of Directors.

/s/ Marcia J. Kellams, Secretary

Marcia J. Kellams, Secretary

September 26, 2005

St. Louis, Missouri

**This proxy statement and the accompanying proxy card are
being mailed to Stifel stockholders beginning about September 27, 2005.**

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STIFEL FINANCIAL CORP.

One Financial Plaza

501 North Broadway

St. Louis, Missouri 63102-2102

PROXY STATEMENT

FOR THE

SPECIAL MEETING OF THE STOCKHOLDERS

TO BE HELD OCTOBER 26, 2005

ONE FINANCIAL PLAZA, ST. LOUIS, MISSOURI

This proxy statement is furnished to the holders of common stock of Stifel Financial Corp. (Stifel or the Company) in connection with the solicitation of proxies for use in connection with the Special Meeting of the Stockholders to be held October 26, 2005, and all adjournments and postponements thereof, for the purpose set forth in the accompanying Notice of Special Meeting of the Stockholders. Stifel is first mailing this proxy statement and the enclosed form of proxy to Stockholders on or about September 27, 2005.

Pursuant to the proposed second amendment and restatement (the Amendment and Statement) of the Stifel Financial Corp. 2001 Incentive Stock Plan, we will increase the number of shares available for issuance by 2,000,000 shares, together with any shares that have been (or will be) added to the Plan pursuant to the terms thereof. As of June 30, 2005, there were 686,121 shares available for issuance under the Plan; following the increase 2,686,121 shares would be available for issuance. Such increase is requested in connection with Stifel's previously announced acquisition of substantially all of the assets of the capital markets business of Legg Mason, Inc. (LM Capital Markets) from Citigroup Inc. In addition to the transaction consideration to be paid to Citigroup in connection with the transaction, Stifel anticipates that it will (and has entered into employment agreements in which it has agreed to) issue approximately 1,370,000 shares of restricted stock units to key associates of LM Capital Markets. In addition, Stifel anticipates issuing between approximately 530,000 to 600,000 restricted stock units as a match for LM Capital Markets personnel who purchase, in the aggregate, between approximately 1,060,000 and 1,200,000 shares of Stifel stock in a private placement expected to close simultaneously with the transaction. This increase is required to enable Stifel to issue such restricted stock units under the Plan.

Stifel provides equity compensation to employees as an incentive to increase long-term stockholder value and to align the interests of our employees with those of our stockholders. We believe that our equity compensation programs help us to attract and retain talented and highly-skilled individuals to serve as employees. We also believe that these plans motivate high levels of performance and create incentives that reward the contributions of our employees to our success and to increased stockholder value. The Board believes these shares are a critically important part of the package of equity and cash incentives used to provide incentives to the former LM Capital Markets employees to join Stifel as part of our acquisition of that business.

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Your vote is very important. Whether or not you plan to attend the Special Meeting, we hope you will vote as soon as possible. Whether or not you expect to be present in person at the meeting, you are requested to complete, sign, date, and return the enclosed form of proxy. If you attend the meeting, you may vote by ballot. If you do not attend the meeting, your shares of common stock can be voted only when represented by a properly executed proxy.

Any person giving such a proxy has the right to revoke it at any time before it is voted by giving written notice of revocation to the Secretary of Stifel, by duly executing and delivering a proxy bearing a later date, or by attending the Special Meeting and voting in person.

The close of business on September 26, 2005 has been fixed as the record date for the determination of the Stockholders entitled to vote at the Special Meeting of the Stockholders. As of the record date, approximately 10,005,751 shares of Common Stock were outstanding and entitled to be voted at the Special Meeting. Stockholders will be entitled to cast one vote on the Amendment and Restatement for each share of common stock held of record on the record date.

The solicitation of this proxy is made by the Board of Directors of Stifel. The solicitation will primarily be by mail and the expense thereof will be paid by Stifel. In addition, proxies may be solicited by telephone or facsimile by directors, officers, or regular employees of Stifel.

ABOUT THE SPECIAL MEETING

WHY AM I RECEIVING THESE MATERIALS?

The Board of Directors of Stifel is providing these proxy materials to you in connection with the solicitation of proxies for use at the Special Meeting of Stockholders (the *Special Meeting*) to be held on Wednesday, October 26, 2005, at 11:00 a.m., Central time, and at any adjournment or postponement thereof, for the purpose of considering and acting upon the matters set forth herein.

WHO IS SOLICITING MY VOTE?

Our board of directors is soliciting your vote at the Special Meeting.

WHAT WILL I BE VOTING ON?

You will be voting on a proposal (i) to increase the number of shares issuable under the Amended and Restated 2001 Incentive Stock Plan by 2,000,000 shares (the *Amendment and Restatement*), together with any shares that have been (or will be) added to the Plan pursuant to the terms thereof, (ii) to increase the maximum number of shares that may be issued to an individual in any calendar year from 133,000 shares to 200,000 shares and (iii) to increase the trigger for change of control events from 15% to 20%.

As previously announced, Stifel has agreed to acquire substantially all of the assets of the capital markets business of Legg Mason, Inc. from Citigroup Inc. In addition to the transaction consideration to be paid to Citigroup in connection with the transaction, Stifel anticipates that it will (and has entered into employment agreements in which it has agreed to) issue approximately 1,370,000 shares of restricted stock units to key associates of LM Capital Markets. In addition, Stifel anticipates issuing between approximately 530,000 to 600,000 restricted stock units as a match for LM Capital Markets personnel who purchase, in the aggregate, between approximately 1,060,000 and 1,200,000 shares of Stifel stock in a private placement expected to close simultaneously with the transaction. The restricted stock units will generally vest annually over three years. If the Amendment is not approved at the Special Meeting, we believe that our ability to attract and retain the LM Capital Markets employees will be seriously affected, and in turn, we believe our long-term success will suffer.

HOW CAN INVESTORS MEASURE POTENTIAL DILUTION FROM EQUITY INCENTIVE PLANS?

Outstanding restricted stock units, options and other incentive awards, represent potential future stock issuances that would, if they become vested and issued or are exercised, will have the effect of diluting the percentage ownership of each investor. The impact of outstanding restricted stock units, options and other equity awards, as a percentage of a company's outstanding stock, provides a measure of future dilutive impact, sometimes called *overhang*. Similarly, shares reserved for future equity awards under a company's stock plans can eventually dilute stock ownership as equity awards are granted, vest and are exercised. See *Dilution* under *Proposal I. Second Amendment and Restatement of the 2001 Incentive Stock Plan*.

HOW MANY VOTES DO I HAVE?

You will have one vote for every share of common stock you owned on the record date, September 26, 2005, for each of the directors to be elected and on each other proposal presented at the special meeting.

HOW MANY VOTES CAN BE CAST BY ALL STOCKHOLDERS?

10,005,571, consisting of one vote for each of the shares of common stock that were outstanding on the record date.

HOW MANY VOTES MUST BE PRESENT TO HOLD THE MEETING?

5,002,876 votes, which represents a majority of the votes that can be cast at the special meeting. If you vote, your shares will be part of the quorum. Abstentions and broker non-votes will be counted in determining the quorum. A broker non-vote occurs when a bank or broker holding shares in street name submits a proxy that states that the broker does not vote for some or all of the proposals, because the broker has not received instructions from the beneficial owners on how to vote on the proposals and does not have discretionary authority to vote in the absence of instructions.

We urge you to vote by proxy even if you plan to attend the special meeting so that we will know as soon as possible that enough votes will be present for us to hold the meeting.

DOES ANY SINGLE STOCKHOLDER CONTROL AS MUCH AS 5 PERCENT OF ANY CLASS OF STIFEL'S COMMON STOCK?

There are five stockholders that beneficially own over 5 percent of our common stock (see page 10).

HOW DO I VOTE?

You can vote either by proxy with or without attending the special meeting or in person at the special meeting.

To vote by proxy, you must either:

If your shares are registered in your name at UMB Bank, n.a. (our transfer agent), you must fill out the enclosed proxy card, date and sign it, and return it in the enclosed postage-paid envelope.

If you hold your stock through a securities broker (that is, in street name), you must either:
fill out the enclosed proxy card, date and sign it, and return it in the enclosed postage-paid envelope,
vote by telephone (instructions are on the proxy card), or
vote by Internet (instructions are on the proxy card).

Our employees who participate in our employee benefit plans may vote on our Intranet or may have their proxy card mailed to them.

If you want to vote in person at the Special Meeting, and you hold your stock through a securities broker (that is, in street name), you must obtain a proxy from your broker and bring that proxy to the meeting.

CAN I CHANGE MY VOTE?

Yes. Just send in a new proxy card with a later date, or cast a new vote by telephone, Internet or Intranet, or send a written notice of revocation to our corporate secretary at the address on the cover of this proxy statement. If you attend the special meeting and want to vote in person, you can request that your previously submitted proxy not be used.

WHAT IS THE VOTE REQUIRED TO APPROVE THE PROPOSAL?

Approval and adoption of the Second Amendment and Restatement of the 2001 Incentive Stock Plan requires a majority of votes cast on the proposal, provided that the total vote cast on the proposal represents over 50 percent of our outstanding shares. Therefore, shares subject to abstention will be considered as present for quorum purposes and will have the effect of a vote against this proposal. A broker "non-vote" will have no effect on this proposal (except to the extent such abstentions and broker non-votes result in a failure to obtain total votes cast representing more than majority of the votes that can be cast at the special meeting regarding the amendment and restatement of the Plan).

IF I SIGN A PROXY, HOW WILL IT BE VOTED?

All shares entitled to vote and represented by properly executed proxy cards received prior to the Special Meeting, and not revoked, will be voted at the Special Meeting in accordance with the instructions indicated on those proxy cards. If no instructions are indicated on a properly executed proxy card, the shares represented by that proxy card will be voted as recommended by the Board of Directors. As a result, your shares will be voted in favor of the Proposal.

COULD OTHER MATTERS BE DECIDED AT THE SPECIAL MEETING?

If any other matters are properly presented for consideration at the Special Meeting, including, among other things, consideration of a motion to adjourn the Special Meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named in the enclosed proxy card and acting thereunder will have discretion to vote on those matters in accordance with their best judgment. Stifel does not currently anticipate that any other matters will be raised at the Special Meeting.

WHAT HAPPENS IF THE MEETING IS POSTPONED OR ADJOURNED?

Your proxy will still be good and may be voted at the postponed or adjourned meeting.

HOW CAN I ACCESS STIFEL'S PROXY MATERIALS AND ANNUAL REPORT ELECTRONICALLY?

This proxy statement and the 2004 annual report are available on our Internet site at www.stifel.com. Most stockholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail.

PROPOSAL I.

Second Amendment and Restatement of the 2001 Incentive Stock Plan

The Board of Directors is asking stockholders to approve a second amendment and restatement of the Stifel Financial Corp. 2001 Incentive Stock Plan to: (i) increase the number of shares issuable under the Plan by 2,000,000 shares, together with any shares that have been (or will be) added to the Plan pursuant to the terms thereof; (ii) increase the maximum number of shares that may be issued to an individual in any calendar year from 133,000 shares to 200,000 shares; and (iii) increase the trigger for change of control events from 15% to 20%. The Board of Directors approved these amendments in August 2005, subject to stockholder approval.

The Amended and Restated 2001 Incentive Stock Plan currently provides for an initial reservation of 2,000,000 shares for equity awards under the Plan, together with seven annual automatic increases of 266,666 shares per year which are authorized under the terms of the Plan commencing in January 2003. As of June 30, 2005, there were 686,121 shares that remained available for issuance under the Plan. The proposed amendment and restatement of the Plan would increase the total number of shares that could be issued under the Plan to 4,000,000. On a pro forma basis, after giving effect to the proposed increase, 2,686,121 shares would have been available under the Plan as of June 30, 2005. Such increase is requested in connection with Stifel's previously announced acquisition of substantially all of the assets of the capital markets business of Legg Mason, Inc. from Citigroup Inc. as described below. In addition to the consideration to be paid to Citigroup in connection with the transaction, Stifel anticipates that it will (and has entered into employment agreements in which it has agreed to issue approximately 1,370,000 shares of restricted stock units to key associates of LM Capital Markets. In addition, Stifel anticipates issuing between approximately 530,000 and 600,000 restricted stock units as a match for LM Capital Markets personnel who purchase, in the aggregate, between approximately 1,060,000 and 1,200,000 shares of Stifel stock in a private placement expected to close simultaneously with the transaction. The increase is required to enable Stifel to issue such restricted stock units under the Plan.

Stifel anticipates issuing up to 1,925,000 restricted stock units to LM Capital Markets employees that become employees of Stifel in connection with the acquisition of the LM Capital Markets business from Citigroup. Stifel provides equity compensation to employees as an incentive to increase long-term stockholder value and to align the interests of our employees with those of our stockholders.

In addition to the initial shares authorized for issuance, up to 266,666 shares would be added annually for seven years (commencing in January 2003), provided such additional shares could only be used for funding the requirements of our Wealth Accumulation Plans or similarly designed plans. Under the Amendment and Restatement, an additional 1,066,664 shares are reserved for the grant of stock units for such purpose (representing the first five annual increases under the existing Plan), and there would be five additional annual increases subject to the same limitation. Accordingly, that part of the Plan would effectively not be modified by the Amendment and Restatement.

Our Board has approved the amendment and recommends that stockholders vote for the amendment and restatement of the Restated 2001 Incentive Stock Plan.

Background

On September 12, 2005, Stifel entered into an Acquisition Agreement (the Acquisition Agreement) with Citigroup Inc. (Citigroup) to acquire certain assets and assume specified liabilities associated with the capital markets business which Citigroup recently agreed to acquire from Legg

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Mason, Inc. (the Transaction). Stifel will pay Citigroup an amount equal to the net book value of assets being acquired plus a premium of seven million dollars (\$7,000,000), as well as an earn-out of up to thirty million dollars (\$30,000,000) based on the performance of the combined capital markets business of Stifel for fiscal years 2006, 2007 and 2008. In connection with the transaction, Stifel has agreed to hire, subject to and effective upon consummation of the closing, certain members of management and other key employees of the capital markets business of Legg Mason, Inc. for a combination of cash and equity compensation. The Acquisition Agreement contains certain customary representations, warranties and covenants on the part of Stifel and Citigroup.

The consummation of the Transaction is subject to a number of customary closing conditions, including but not limited to: (i) the consummation of the transactions contemplated by the Transaction Agreement, dated as of June 23, 2005 between Citigroup and Legg Mason, Inc., (ii) the approval of all required governmental entities, (iii) the negotiation and execution of a Transition Services Agreement between Citigroup and Stifel, and (iv) the negotiation and execution of an assignment by Citigroup to Stifel of certain rights under a Transition Services Agreement to be entered into between Legg Mason, Inc. and Citigroup. The signing of the acquisition agreement with Citigroup was publicly announced by Citigroup and Stifel on September 12, 2005.

Purpose of Equity Incentive Plans

We provide equity compensation to our employees as an incentive to increase long-term stockholder value. Our current stock plan, the 2001 Stock Incentive Plan, was designed with share limitations prior to giving effect to the acquisition of the LM Capital Markets business. In connection with negotiating the Legg Mason acquisition, the Board of Directors and management concluded that equity compensation as a part of our employees' total compensation package following the transaction was required in order to provide incentives to the new Legg Mason employees. As a result the Board of Directors has adopted an amendment to the 2001 Stock Incentive Plan increasing the authorized number of shares to be issued under the Plan. Stifel is seeking stockholder approval of the amendment and restatement of the Plan.

The purposes of the 2001 Stock Incentive Plan are to attract and retain the best available personnel for positions of substantial responsibility, provide additional incentive to our employees, and promote the success of our business. We believe that equity based incentives should be a key part of employee compensation, that equity based awards promote employee attention to the importance of running the business with a focus on revenue growth and profitability and that restricted stock units enable us to compete effectively for the best talent in the our industry.

Equity compensation is a key component of employee compensation at Stifel, and we encourage equity ownership. Equity awards give employees the perspective of an owner with a stake in the success of Stifel. We believe that equity awards align the interests of our employees with those of our stockholders by providing an incentive to increase long-term stockholder value. Because our restricted stock unit grants generally vest over a period of three to five years, our employees derive benefit from these restricted stock units only after they have remained with Stifel through the vesting date. Furthermore, we believe that equity awards motivate high levels of performance and provide an effective means of recognizing, rewarding and encouraging employee contributions to our success.

In addition, we believe that equity awards are an important competitive tool in the securities industry and are essential to recruiting and retaining the highly qualified personnel which are key to our success. We believe that we must offer competitive compensation packages in order to attract and retain people who can keep us on a course of continued success. Although higher salaries can compensate to some extent for the lack of equity compensation, we believe that over time we would be at a competitive disadvantage without the focus on success and power of retention provided by equity compensation. Elimination of our equity compensation program would seriously hamper our ability to attract and retain the talent we need to ensure our business continues to be successful. Our entire employee base, substantially all of whom receive equity compensation, are motivated to achieve results that drive stockholder value. We believe our equity compensation program has been critical in attracting and retaining a highly effective work force.

Description of the Second Amendment and Restatement of the Stifel Financial Corp. 2001 Incentive Stock Plan

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Under the terms of the Plan, key employees of us and our subsidiaries, as determined in the sole discretion of our administrator, will be eligible to receive (a) stock appreciation rights, (b) restricted shares of common stock, (c) performance awards, (d) stock options exercisable into shares of our common stock which may or may not qualify as incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986 (options so qualifying are hereinafter referred to as incentive stock options) and (e) stock units. We are seeking to increase the number of shares issuable under the Plan as follows:

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Share Reservation. The total number of shares of our common stock reserved for issuance under the amended and restated Plan will be 4,000,000 shares, subject to adjustment in the event of any change in the outstanding shares of common stock without new consideration to us (such as by reason of a stock dividend or stock split). As of June 30, 2005, giving pro forma effect to the proposed increase, 2,686,121 would be available for future equity awards under the Plan. Of that amount, Stifel anticipates issuing up to 1,925,000 restricted stock units to LM Capital Markets employees that become employees of Stifel in connection with the acquisition of the LM Capital Markets business from Citigroup. In addition to the 4,000,000 shares of our common stock reserved for issuance under the amended and restated Plan, (a) 1,066,664 shares are reserved for the grant of stock units awarded pursuant to the Plan for funding the requirements of our Wealth Accumulation Plans or similarly designed plans, and (b) for each calendar year in the five-year period commencing January 1, 2006, the number of shares reserved for issuance under the Plan shall automatically increase by an additional 266,666 shares; provided that such additional shares described in (a) and (b) may be used only for funding the requirements of our Wealth Accumulation Plans or similarly designed plans.

In addition, we are seeking (i) to increase the maximum number of shares subject to stock options that may be awarded in any calendar year to any individual from 133,000 shares to 200,000 shares and (ii) to a modification to the definition of *Change in Control* to increase the threshold for the acquisition of shares that would trigger a change in control event under the Plan from 15 percent to 20 percent.

The following is a description of the remainder of the terms of the Stifel Financial Corp. 2001 Incentive Stock Plan as currently in place. No revisions are being sought to these provisions.

Administration. The amended and restated Plan will be administered by either the board of directors or the compensation committee. The administrator, by majority action thereof, is authorized to determine the individuals to whom the benefits will be granted, the type, amount, price, expiration date and other material conditions upon which the benefits will be granted. The administrator has the exclusive authority to interpret and administer the amended and restated Plan, to establish rules relating to the amended and restated Plan, to delegate some or all of its authority under the amended and restated Plan and to take such other steps and make such other determinations as it may deem necessary or advisable.

Stock Appreciation Rights. The administrator may grant stock appreciation rights giving the holder thereof a right to receive, at the time of surrender, a payment equal to the difference between the fair market value of such stock on the date of surrender of the stock appreciation right and the exercise price of the stock appreciation right established by the administrator at the time of grant, subject to any limitation imposed by the administrator in its sole discretion. In the administrator's discretion, the value of a stock appreciation right may be paid in cash or our common stock, or a combination thereof. A stock appreciation right may be granted either independent of, or in conjunction with, any stock option. If granted in conjunction with a stock option, at the discretion of the administrator, a stock appreciation right may either be surrendered (a) in lieu of the exercise of such stock option, (b) in conjunction with the exercise of such stock option or (c) upon expiration of such stock option. The term of any stock appreciation right shall be established by the administrator, but in no event shall a stock appreciation right be exercisable after ten years from the date of grant.

Restricted Stock. The administrator may issue shares of our common stock either as a stock bonus or at a purchase price of less than fair market value, subject to the restrictions or conditions specified by the administrator at the time of grant. During the period of restriction, holders of restricted stock shall be entitled to receive all dividends and other distributions made in respect of such stock and to vote such stock without limitation.

Performance Awards. The administrator may grant performance awards consisting of shares of our common stock, monetary units payable in cash or a combination thereof. These grants would result in the issuance, without payment therefor, of common stock or the payment of cash upon the achievement of certain pre-established performance goals, such as return on average total capital employed, earnings per share or

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increases in share price, during a specified performance period not to exceed five years. The participating employee will have no right to receive dividends on or to vote any shares subject to performance awards until the goals are achieved and the shares are issued.

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Stock Options. Stock options granted under the Plan shall entitle the holder to purchase common stock at a purchase price established by the administrator, which price shall not be less than the fair market value of our common stock on the date of grant in the case of incentive stock options and at any price determined by the administrator in the case of all other options. The administrator shall determine the term of the stock options and the times at, and conditions under which, the stock options will become exercisable. Stock options will generally not be exercisable after ten years from the date of the grant.

There is no maximum or minimum number of shares for which a stock option may be granted; however, for any employee, the aggregate fair market value of our common stock subject to qualifying incentive stock options that are exercisable for the first time in any calendar year may not exceed \$100,000.

Stock Units. The administrator may issue stock units representing the right to receive shares of our common stock at a designated time in the future, subject to the terms and conditions as established by the administrator in its sole discretion. A holder of stock units generally does not have the rights of a stockholder until receipt of the common stock, but, in the administrator's sole discretion, may receive payments in cash or adjustments in the number of stock units equivalent to the dividends the holder would have received if the holder had been the owner of shares of our common stock instead of stock units.

In the event of a change in control (as defined in the Plan), the vesting of all outstanding stock appreciation rights, restricted stock, stock options and stock units shall be accelerated only to the extent set forth in the applicable agreement established by the administrator.

The board of directors may terminate the Plan at any time, and from time to time may amend or modify the Plan; provided, however, that no such action of the board of directors may, without the approval of our stockholders: (a) increase the total amount of stock or the amount or type of benefit that may be issued under the Plan; (b) modify the requirements as to eligibility for benefits; or (c) reduce the amount of any existing benefit or change the terms or conditions thereof without the participating employee's consent.

Valuation

The fair market value per share of our common stock on any relevant date under the amended and restated 2001 Incentive Stock Plan is deemed to be equal to the closing selling price per share on that date on the New York Stock Exchange. On September 26, 2005, the record date, the fair market value per share of our common stock determined on such basis was \$35.31.

Dilution

As of June 30, 2005, there were 1,819,642 shares of our common stock issuable on outstanding options, with an average weighted exercise price of \$9.24, and 3,403,101 outstanding stock unit grants, with each unit representing the right to receive shares of our common stock at a designated time in the future. The restricted stock units vest on an annual basis over the next five years, and are distributable, if vested, at future specified dates. Of the outstanding restricted stock unit awards, 1,107,010 shares are currently vested and 2,296,091 are unvested. Assuming vesting requirements are met, Stifel anticipates that 764,134 shares under these awards will be distributed in 2006, 727,474 will be distributed in 2007, 647,194 will be distributed in 2008, and the balance of 1,264,299 will be distributed thereafter. As described below, an employee will

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realize income as a result of an award of stock units at the time shares are distributed in an amount equal to the fair market value of such shares at that time, and we are entitled to a corresponding tax deduction in the year of such issuance. We may satisfy tax withholding obligations on income associated with such grants by reducing the number of shares otherwise deliverable in connection with such awards, such reduction to be calculated based on a current market price of our stock. Based on current tax law, Stifel anticipates that the shares issued when the awards are paid to the employees will be reduced by approximately 35% to satisfy such withholding obligations, so that approximately 65% of the total restricted stock units that are distributable in any particular year will be converted into issued and outstanding shares. In addition, because transition rules currently in effect relating to deferred compensation, our Board of Directors may determine to accelerate the issuance of shares of common stock issuable under certain outstanding stock unit awards.

Federal Income Tax Consequences

No income will be realized by a participating employee on the grant of an incentive stock option or a stock option which is not an incentive stock option, the grant of a stock appreciation right, the award of restricted stock or the award of stock units, and we will not be entitled to a deduction at such time. If a holder exercises an incentive stock option and does not dispose of the shares acquired within two years from the date of the grant, or within one year from the date of exercise of the option, no income will be realized by the holder at the time of exercise. We will not be entitled to a deduction by reason of the exercise. If a holder disposes of the shares acquired pursuant to an incentive stock option within two years from the date of grant of the option or within one year from the date of exercise of the option, the holder will realize ordinary income at the time of disposition equal to the excess, if any, of the lesser of (a) the amount realized on the disposition or (b) the fair market value of the shares on the date of exercise, over the holder's basis in the shares. We generally will be entitled to a deduction in an amount equal to such income in the year of the disqualifying disposition.

Upon the exercise of a stock option that does not qualify as an incentive stock option or the surrender of a stock appreciation right, the excess, if any, of the fair market value of the stock on the date of exercise over the purchase price or base price, as the case may be, is ordinary income to the holder as of the date of exercise. We generally will be entitled to a deduction equal to such excess amount in the year of exercise.

Subject to a voluntary election by the holder under Section 83(b) of the Internal Revenue Code of 1986, a holder will realize income as a result of the award of restricted stock at the time the restrictions expire on such shares. An election pursuant to Section 83(b) of the Internal Revenue Code of 1986 would have the effect of causing the holder to realize income in the year in which such award was granted. The amount of income realized will be the difference between the fair market value of the shares on the date such restrictions expire (or on the date of issuance of the shares, in the event of a Section 83(b) election) over the purchase price, if any, of such shares. We generally will be entitled to a deduction equal to the income realized in the year in which the holder is required to report such income.

An employee will realize income as a result of a performance award at the time the award is issued or paid. The amount of income realized by the participant will be equal to the fair market value of the shares on the date of issuance, in the case of a stock award, and to the amount of the cash paid, in the event of a cash award. We will be entitled to a corresponding tax deduction equal to the income realized in the year of such issuance or payment.

An employee will realize income as a result of an award of stock units at the time shares of our common stock are issued in an amount equal to the fair market value of such shares at that time. We will be entitled to a corresponding tax deduction equal to the income realized in the year of such issuance. Under the Plan, we are entitled to withhold the amount of any tax attributable to any amounts payable or shares deliverable under the Plan after giving the person entitled to receive such payment or delivery notice as far in advance as practicable. An employee entitled to any such delivery may, upon notice to us, elect to have such withholding satisfied by a reduction of the number of shares otherwise so deliverable, such reduction to be calculated based on a closing market price on the date of the notice.

Recommendation of the Board of Directors

The affirmative vote of a majority of the shares present and entitled to vote at the meeting will constitute approval of the adoption of the Plan. We recommend a vote **FOR** the adoption of the second amendment and restatement of the Stifel Financial Corp. 2001 Incentive Stock Plan.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The close of business on September 26, 2005 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Special Meeting. On September 26, 2005, there were 10,005,751 shares of our common stock outstanding and entitled to vote.

Ownership of Directors, Nominees and Executive Officers

The following table sets forth information regarding the amount of common stock beneficially owned, as of March 16, 2005, by each of our directors, each nominee for election as a director, the executive officers named in the Summary Compensation Table and all of our directors and executive officers as a group:

<u>Name</u>	<u>Number of Shares</u> <u>Beneficially Owned (1)(2)</u>	<u>Percent of</u> <u>Outstanding</u> <u>Common Stock (3)</u>	<u>Unvested</u> <u>Stock</u> <u>Units (4)</u>
Ronald J. Kruszewski	677,227	6.43	43,849
Scott B. McCuaig	338,223	3.28	27,623
James M. Zemlyak	326,660	3.18	26,022
James M. Oates	77,987	(5)	--
Walter F. Imhoff	58,832	(5)	--
David D. Sliney	49,230	(5)	14,179
Charles A. Dill	40,269	(5)	--
Bruce A. Beda	38,875	(5)	--
Robert E. Lefton	31,394	(5)	--
Richard F. Ford	14,989	(5)	--
Robert J. Baer	13,379	(5)	--
John P. Dubinsky	9,484	(5)	--
Frederick O. Hanser	5,751	(5)	--
Thomas Prince (6)	2,891	(5)	--
David M. Minnick (7)	--	--	2,564
Directors and Executive Officers as a Group (15 persons)	1,685,191	15.04%	114,237

(1) Except as otherwise indicated, each individual has sole voting and investment power over the shares listed beside his name.

(2) Includes the following shares that such persons and group have the right to acquire currently or within 60 days following March 16, 2005 upon the exercise of stock options: Mr. Kruszewski 198,301; Mr. McCuaig 128,536; Mr. Zemlyak 114,669; Mr. Oates 4,002; Mr. Imhoff 10,667; Mr. Sliney 29,268; Mr. Dill 11,351; Mr. Beda 13,223; Mr. Lefton 8,342; Mr. Ford 4,002; Mr. Baer 1,867; Mr. Dubinsky 1,601; Mr. Hanser 1,601; and directors and executive officers as a group 527,430. Also includes the following shares allocated to such persons and group under the Stifel Financial Corp. Stock Ownership Plan and Trust: Mr. Kruszewski 397; Mr. McCuaig 374; Mr. Zemlyak 307; Mr. Imhoff 181; Mr. Sliney 540; and directors and executive officers as a group 1,799. Also includes the following shares allocated to such persons and group underlying stock units vested currently or within 60 days following March 16, 2005: Mr. Kruszewski 305,247; Mr. McCuaig 141,674; Mr. Zemlyak 130,670; Mr. Oates 12,371; Mr. Sliney 14,519; Mr. Dill 11,997; Mr. Beda 12,246; Mr. Lefton 7,657; Mr. Ford 1,883; Mr. Baer 7,246; Mr. Dubinsky 2,817; Mr. Hanser 2,817; and directors and executive officers as a group 651,144. Also includes the following shares allocated to such persons and group under the Stifel, Nicolaus & Company, Incorporated Profit Sharing 401(k) Plan: Mr. Zemlyak 2,129; Mr. Imhoff 10; and directors and officers as a group 2,139.

(3)

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Based upon 10,026,652 shares of common stock issued and outstanding as of March 16, 2005 and, for each director or officer or the group, the number of shares subject to options or stock units which the director or officer or the group has the right to acquire currently or within 60 days following March 16, 2005.

- (4) Includes shares underlying stock units that such persons or group hold but which are not convertible to our common stock within the 60-day period after March 16, 2005 and, therefore, under the rules of the Securities and Exchange Commission, are not deemed to be beneficially owned as of March 16, 2005. The stock units generally will be transferred into common stock at the end of a three- to five-year period after the date of grant contingent upon the holder's continued employment with us.
- (5) Shares beneficially owned do not exceed 1 percent of the outstanding shares of our common stock.

Duff & Phelps estimated a range of values for AMIC based on the net present value of AMIC's projected cash flows and a terminal value in 2020 using a perpetuity growth formula assuming a 4.0% terminal growth rate. Duff & Phelps discounted the resulting free cash flows and terminal value using a cost of equity capital ranging from 13.25% to 15.25%. This analysis resulted in implied equity values of AMIC ranging from a low of \$23.02 to a high of \$24.30.

The assumptions and forecasts utilized in the DCF analysis are the following:

- AMIC's revenue is projected to increase at a compound annual growth rate ("CAGR") of 4.9% over the five-year period ending 2020;

- Operating income is projected to average approximately \$6.7 million over the four-year period from 2016 to 2020;

- Capital expenditures average 0.2% of revenue over the five-year period ending 2020;

- A corporate tax rate of 35.4% has been utilized in the DCF analysis per the Management Projections; and

- A normalized premium/surplus ratio of 2:1.

The present value of net operating loss carryforward tax benefits were separately valued and added to equity value.

Selected Public Companies Analysis

Duff & Phelps analyzed the publicly available financial performance and current trading multiples of eight selected publicly-traded companies in the healthcare insurance industry that Duff & Phelps deemed relevant to its analysis. It compared AMIC's financial performance and other operating characteristics with those of the selected public companies. It applied valuation multiples to AMIC's financial performance to indicate AMIC's equity value. This analysis resulted in implied equity values of AMIC ranging from a low of \$22.96 to a high of \$25.18.

Duff & Phelps analyzed:

- The selected public companies' current trading multiples;
- The latest twelve months ("LTM") and projected earnings, return on equity and revenue for each of the publicly traded companies;
- The selected public companies' trading multiples of equity value to their respective earnings and book values; and
- A number of factors in comparing AMIC to the selected public companies including historical and forecasted growth in revenue and profits, profit margins and other characteristics that it deemed relevant.

The selected public companies that were analyzed (collectively, the "Comparable Companies") are:

- Aetna Inc.
- Anthem, Inc.
- Cigna Corp.
- Humana Inc.
- Independence Holding Company
- Molina Healthcare, Inc.
- UnitedHealth Group Incorporated
- WellCare Health Plans, Inc.

Duff & Phelps reviewed, among other things, the following statistics for comparative purposes:

- Financial growth and operating metrics;
- Market data and valuation multiples;
- Regression analysis; and
- Equity valuation multiples.

The following tables set forth a calculation of each of the statistics described above for the Comparable Companies:

AMIC Valuation Analysis

Selected Public Companies Analysis

Financial Metrics

Selected Public Company Analysis

Company Information	Financial Growth					Operating Metrics				
	3-YR Revenue CAGR	LTM Revenue Growth	LTM EPS Growth	Projected 2016 EPS Growth	Projected 2017 EPS Growth	3-Yr Avg. ROE	LTM ROE	Projected 2016 ROE	Projected 2017 ROE	
Aetna Inc.	NM	3.1 %	9.9 %	4.2 %	10.1 %	14.9 %	14.8 %	16.3 %	16.2 %	
Anthem, Inc.	NM	7.1	-8.3	7.5	9.8	10.5	10.3	11.7	11.9	
Cigna Corp.	9.1 %	6.7	0.8	7.0	8.1	17.5	17.5	17.5	16.2	
Humana Inc.	12.3	7.7	-8.1	4.9	12.5	12.5	10.5	11.8	12.4	
Independence Holding Co.	10.4	-0.2	85.9	NA	NA	6.9	9.8	NA	NA	
Molina Healthcare, Inc.	NM	42.5	40.2	6.2	31.4	7.9	9.5	8.6	10.6	
UnitedHealth Group Incorporated	NM	NM	NM	NM	13.3	NM	NM	19.3	19.0	
WellCare Health Plans, Inc.	23.3	3.9	270.2	73.4	21.4	7.9	8.1	11.0	12.0	
Mean	13.8	10.1 %	55.8 %	17.2 %	15.3 %	11.2 %	11.5 %	13.7 %	14.0 %	
Median	11.4 %	6.7 %	9.9 %	6.6 %	12.5 %	10.5 %	10.3 %	11.8 %	12.4 %	
AMIC	NA	NA	NA	NM	20.3 %	NA	NA	3.2 %	3.8 %	

LTM = Latest Twelve Months

Note: Anthem Inc. announced intentions to acquire Cigna Corp on 6/20/2015

Note: Aetna Inc. announced intentions to acquire Humana Inc. on 7/3/2015

Source: Bloomberg, Capital IQ, SNL Financial, SEC filings

AMIC Valuation Analysis

Selected Public Companies Analysis

Financial Metrics

Selected Public Company Analysis

Company Information	Market Data			Valuation Multiples									
	Company Name	Stock Price as of 6/9/2016	% of 52-Wk High	Market Cap	3yr Avg. Earnings Per Share	P / LTM EPS	P / 2016E EPS	P / 2017E EPS	Price / BVPS				
Aetna Inc.	\$121.27	91.5	%	\$42,517	20.5x	18.3	x	15.1	x	13.7	x	2.53	x
Anthem, Inc.	\$133.75	78.2		35,170	14.9	15.1		12.2		11.1		1.49	
Cigna Corp.	\$129.25	76.1		33,154	18.4	16.2		13.9		12.9		2.62	
Humana Inc.	\$188.35	87.8		28,071	24.0	26.3		21.3		18.9		2.67	
Independence Holding Co.	\$17.10	99.0		295	15.1	10.0		NA		NA		0.91	
Molina Healthcare, Inc.	\$51.87	63.6		2,935	NM	21.3		18.9		14.4		1.86	
UnitedHealth Group Incorporated	\$140.68	100.0		133,759	NM	NM		17.9		15.8		3.82	
WellCare Health Plans, Inc.	\$105.50	100.0		4,669	39.1	33.9		22.8		18.8		2.64	
Mean		87.0	%	\$35,071	22.0x	20.1	x	17.4	x	15.1	x	2.32	x
Median		89.6	%	\$30,613	19.4x	18.3	x	17.9	x	14.4	x	2.57	x

\$ in USD million except per share data

LTM = Latest Twelve Months

Note: Anthem Inc. announced intentions to acquire Cigna Corp on 6/20/2015

Note: Aetna Inc. announced intentions to acquire Humana Inc. on 7/3/2015

Source: Bloomberg, Capital IQ, SNL Financial, SEC filings

AMIC Valuation Analysis

Selected Public Companies Analysis

Selected Public Companies Analysis

(\$ in millions)

Equity Valuation Multiples Metric	Public Company Range	Valuation Summary			Company Performance	Equity Value Range
		Public Company Median	Selected Multiples Range			
Equity Value / 2017 Net Income	11.1x - 18.9x	14.4x	9.5x - 12.5x	\$ 3.4	\$32.2 - \$42.4	
Equity Value / Adjusted Book Value (Excl. AOCI, NCI, & Excess Capital) (1)	0.91x - 3.82x	2.57x	0.40x - 0.60x	\$ 82.7	\$33.1 - \$49.6	
	Preliminary Operating Equity Value Range				\$32.5 - \$46.0	
	Add: Assumed Premium @ 20.0% to Back Out "inherent Minority Discount" (2)				\$6.5 - \$9.2	
	Concluded Operating Equity Value Range				\$39.0 - \$55.2	

Implied Equity Value Multiples

Equity Value / 2016 Net Income	12.2x - 22.8x	17.9x		\$ 2.8	11.5x - 16.3x
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(1) Excludes net cash proceeds of \$110.8 million from the Majestic and Risk Solutions transactions, \$23.6 million of excess capital, and non-controlling interests

(2) Duff & Phelps does not believe that the relevant finance literature supports the addition of a premium in these circumstances, but we note that certain Delaware cases have suggested that inclusion of such a premium may be appropriate when conducting a comparable companies analysis.

Note: Net income excludes investment income earned on \$110.1 million of net cash proceeds from the Majestic, Risk Solutions, and coinsurance transactions and \$22.3 million of excess capital.

Availability of Valuation Analysis

Duff & Phelps's Valuation Analysis will be made available for inspection and copying by interested holders of the Common Stock or their representative who has been so designated in writing, at the principal executive offices of AMIC during regular business hours.

TRANSACTION STATEMENT

Item 1. Summary Term Sheet

See the section above captioned "Summary Term Sheet."

Item 2. Subject Company Information

Name and Address. The name of the subject company is American Independence Corp., a Delaware corporation. The principal executive offices of AMIC are located at 485 Madison Avenue, 14th Floor, New York, NY 10022, and its telephone number is (212) 355-4141. AMIC's website address is www.americanindependencecorp.com.
(a) Information contained on or connected to AMIC's website is not incorporated by reference into this Schedule 13E-3 and should not be considered part of this Schedule 13E-3 or any other filing that the Filing Persons make with the SEC.

AMIC is subject to the informational reporting requirements of the Exchange Act and in accordance therewith is required to file reports, proxy statements, and other information with the SEC relating to its business, financial condition, and other matters. Such reports, proxy statements and other information are available for inspection and copying at the SEC's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549. The SEC also maintains a website at www.sec.gov that contains reports, proxy, and information statements, and other information regarding registrants that file electronically with the SEC.

Securities. The class of securities to which the Schedule 13E-3 relates is the common stock, par value \$0.01 per share, of AMIC, of which 8,118,551 shares were outstanding as of June 15, 2016. As of June 15, 2016, AMIC had
(b) outstanding options to purchase 41,112 shares of Common Stock pursuant to the American Independence Corp. 2009 Stock Incentive Plan (the "2009 Plan"). AMIC does not intend to grant any additional options under the 2009 Plan.

Trading Market and Price. The Common Stock is quoted on the NASDAQ Capital Market under the symbol
(c) "AMIC." The following table sets forth the high and low sales price per share of Common Stock on the NASDAQ Capital Market (as reported by NASDAQ) during the fiscal quarters indicated:

Market Price	
High	Low

Fiscal Year Ended December 31, 2014

First Quarter	\$12.53	10.02
Second Quarter	\$12.89	10.22
Third Quarter	\$12.50	10.51
Fourth Quarter	\$11.47	9.84

Fiscal Year Ended December 31, 2015

First Quarter	\$11.50	9.76
Second Quarter	\$11.19	9.75
Third Quarter	\$10.65	9.62
Fourth Quarter	\$10.20	8.50

Fiscal Year Ending December 31, 2016

First Quarter	\$20.12	8.50
Second Quarter (through June 1, 2016)	22.76	19.50

STOCKHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THEIR SHARES.

(d) *Dividends.* AMIC has not paid any dividends on the Common Stock since it was acquired by the Filing Persons.

(e) *Prior Public Offerings:* AMIC has not made any public offerings of its Common Stock during the last three years. See “Background of the Merger” beginning on page 8 of this Schedule 13E-3 and Item 5 “Past Contacts, Transactions, Negotiations and Agreements - Significant Corporate Events” beginning on page 39 of this Schedule 13E-3.

(f) *Prior Stock Purchases.* On March 24, 2015, IHC purchased 157,855 shares of AMIC Common Stock from an unaffiliated stockholder of AMIC for a per share purchase price of \$10.19 in an arms’ length transaction.

Item 3. Identity and Background of Filing Persons

Acquisition Co.

(a) *Name and Address.* The principal business address of Acquisition Co. is 96 Cummings Point Road, Stamford, CT 06902, and its business telephone number is (203) 358-8000. Acquisition Co. and its affiliates (excluding officers and directors of the IHC Entities) beneficially own 91.43% of the Common Stock.

(b) *Business and Background of Entity.* Acquisition Co. was incorporated on March 4, 2016 under the laws of the State of Delaware by the IHC Entities for the sole purpose of effecting the merger. Immediately prior to the mailing of the Schedule 13E-3, each of the IHC Entities will contribute their respective shares of AMIC Common Stock to Acquisition Co., resulting in Acquisition Co. owning 91.43% of the outstanding shares of AMIC Common Stock. Acquisition Co. has not (i) been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors) or (ii) been a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree, or final order enjoining Acquisition Co. from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

(c) *Business and Background of Natural Persons.* The name, business address, position in Acquisition Co., current principal occupation and five-year employment history of each of the directors and executive officers of Acquisition Co., together with the names, principal businesses, and addresses of any corporations or other organizations in which such occupations are conducted, are set forth on Schedule I hereto. None of such directors and officers has (i) been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors) or (ii) been a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree, or final order enjoining such person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws. Each director and officer is a U.S. citizen.

Independence Holding Company

(a) *Name and Address.* The principal business address of Independence Holding Company (“IHC”) is 96 Cummings Point Road, Stamford, CT 06902, and its business telephone number is (203) 358-8000. IHC beneficially own 34.5% of the outstanding Common Stock.

(b) *Business and Background of Entity.* IHC was organized under the laws of the State of Delaware and is traded on the New York Stock Exchange (NYSE:IHC). It is a holding company principally engaged in the life and health insurance business through its insurance company subsidiaries (Standard Security Life Insurance Company of New York, Madison National Life Insurance Company, Inc. and Independence American Insurance Company) and its marketing and administrative affiliates. IHC has not (i) been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors) or (ii) been a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree, or final order enjoining IHC from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

(c) *Business and Background of Natural Persons.* The name, business address, position in IHC, current principal occupation and five-year employment history of each of the directors and executive officers of IHC, together with the names, principal businesses, and addresses of any corporations or other organizations in which such occupations are conducted, are set forth on Schedule I hereto. None of such directors and officers has (i) been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors) or (ii) been a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree, or final order enjoining such person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws. Each director and officer is a U.S. citizen.

Madison Investors Corporation

(a) *Name and Address.* The principal business address of Madison Investors Corporation (“MIC”) is 96 Cummings Point Road, Stamford, CT 06902, and its business telephone number is (203) 358-8000. MIC beneficially own 56.93% of the outstanding Common Stock.

(b) *Business and Background of Entity.* MIC was organized under the laws of the State of Delaware. It is a wholly owned indirect subsidiary of IHC. MIC has not (i) been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors) or (ii) been a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree, or final order enjoining MIC from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

(c) *Business and Background of Natural Persons.* The name, business address, position in MIC, current principal occupation and five-year employment history of each of the directors and executive officers of MIC, together with the names, principal businesses, and addresses of any corporations or other organizations in which such occupations are conducted, are set forth on Schedule I hereto. None of such directors and officers has (i) been convicted in a criminal proceeding during the past five years (excluding traffic violations or similar misdemeanors) or (ii) been a party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree, or final order enjoining such person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws. Each director and officer is a U.S. citizen.

Item 4. Terms of the Transaction

(a) *Material Terms.* Immediately prior to the mailing of this Schedule 13E-3 to AMIC's public stockholders, the IHC Entities will contribute to Acquisition Co. an aggregate of 7,423,151 shares of Common Stock, representing 91.43% of the shares of outstanding Common Stock. On August 31, 2016 or as soon thereafter as possible (the "Effective Date"), Acquisition Co. will merge with AMIC pursuant to Section 253 of the DGCL, with Acquisition Co. being the surviving corporation. To so merge, Acquisition Co.'s Board of Directors and stockholders will approve the merger, and Acquisition Co. will file a certificate of ownership and merger with the Secretary of State of the State of Delaware. On the Effective Date:

each share of Common Stock issued and outstanding immediately prior to the Effective Date will be cancelled and extinguished, and each share of Common Stock (other than shares of Common Stock held by Acquisition Co. and the public stockholders, if any, who properly exercise their statutory appraisal rights under the DGCL) will be converted into and become a right to receive only \$24.74 per share in cash, without interest (the "Stock Merger Price"); each share of Acquisition Co.'s capital stock issued and outstanding immediately prior to the Effective Date will be converted into one validly issued, fully paid and nonassessable share of capital stock of the Surviving Corporation; in connection with the merger, Acquisition Co. will pay cash for the options (vested and unvested); and immediately following the Effective Date, the IHC Entities will own all the capital stock of the Surviving Corporation.

Under the DGCL, because Acquisition Co. holds at least 90% of the outstanding shares of Common Stock prior to the merger, Acquisition Co. will have the power to effect the merger without a vote of AMIC's Board of Directors or the public stockholders. The Filing Persons intend to take all necessary and appropriate action to cause the merger to become effective on the Effective Date, without a meeting or consent of AMIC's Board of Directors or the public stockholders.

The reasons for the merger are set out in “Special Factors—Purposes, Alternatives, Reasons, and Effects of the Merger — Reasons” on page 13 of this Schedule 13E-3. Upon completion of the merger, in order to receive the Stock Merger Price, each stockholder or a duly authorized representative must (i) deliver a Letter of Transmittal, appropriately completed and executed, to the Paying Agent at: Broadridge Corporate Issuer Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717, Telephone No. 866-321-8022 (toll free) and (ii) surrender such shares of Common Stock by delivering the stock certificate or certificates that, prior to the merger, had evidenced such shares of Common Stock to the Paying Agent, as set forth in a Notice of Merger and Appraisal Rights and Letter of Transmittal. The Notice of Merger and Appraisal Rights and Letter of Transmittal will be mailed to stockholders of record within ten (10) calendar days of the Effective Date. Stockholders are encouraged to read the Notice of Merger and Appraisal Rights and Letter of Transmittal carefully when received. Delivery of an executed Letter of Transmittal shall constitute a waiver of statutory appraisal rights.

Accounting Treatment. The merger will be accounted for as IHC’s acquisition of the non-controlling interest of AMIC.

Material Federal Tax Considerations. For U.S. federal income tax purposes generally, the receipt of the cash consideration by holders of Common Stock pursuant to the merger will be a taxable sale of the holders’ shares of Common Stock. For a discussion of the material federal tax considerations of the merger, see “Special Factors - Purposes, Alternatives, Reasons, and Effects of the Merger—Effects—Certain U.S. Federal Income Tax Considerations” beginning on page 16 of this Schedule 13E-3.

(c) *Different Terms.* All stockholders of AMIC other than the Filing Persons will be treated as described above under “Material Terms” of this Item 4.

(d) *Appraisal Rights.* Under the DGCL, record holders of shares of Common Stock who follow the procedures set forth in Section 262 of the DGCL have the right to seek an appraisal of the “fair value” (as defined pursuant to Section 262 of the DGCL) of their shares of Common Stock by the Court of Chancery of the State of Delaware (the “Delaware Court”) and to receive payment of such fair value, together with interest, if any, as determined by the Delaware Court. The fair value as determined by the Delaware Court is exclusive of any element of value arising from the accomplishment or expectation of the merger. The following is a summary of certain of the provisions of Section 262 of the DGCL and is qualified in its entirety by reference to the full text of Section 262, a copy of which is attached hereto as Exhibit F-1 (pre-Amendment) and Exhibit F-2 (post-Amendment).

A copy of this Schedule 13E-3 and a Notice of Merger and Appraisal Rights and Letter of Transmittal will be mailed by Acquisition Co. to record holders of the shares of Common Stock within ten (10) calendar days following the Effective Date. Any record stockholder entitled to appraisal rights will have the right, within twenty (20) days after the date of mailing of the Notice of Merger and Appraisal Rights and Letter of Transmittal, to demand in writing from Acquisition Co. an appraisal of such stockholder’s shares of Common Stock. Such demand will be sufficient if it reasonably informs Acquisition Co. of the identity of the stockholder making the demand and that the stockholder

intends to demand thereby an appraisal of the fair value of the shares of Common Stock held of record by such stockholder. Failure to make such a timely demand may foreclose a stockholder's right to appraisal. All written demands for appraisal of shares of Common Stock should be sent or delivered to Acquisition Co. at the following address:

AMIC Holdings, Inc.

485 Madison Avenue, 14th Floor

New York, NY 10022

Attn: Ms. Loan Nisser, VP and Secretary

Only a holder of record of shares of Common Stock, or a person duly authorized and explicitly purporting to act on his, her, or its behalf, is entitled to assert appraisal rights for the shares of Common Stock registered in such stockholder's name. A demand for appraisal should be executed by or on behalf of the holder of record fully and correctly, as the holder's name appears on the stock register of AMIC.

A beneficial owner of shares of Common Stock, such as a holder of shares in "street name," who desires to seek appraisal should take such actions as may be necessary to ensure that a timely and proper demand for appraisal is made by the record holder of such shares. Securities held through brokerage firms, banks and other financial institutions are frequently deposited with and held of record in the name of a nominee of a central security deposit, such as The Depository Trust Company, Cede & Co. and others. Any beneficial owner desiring appraisal who holds shares of Common Stock through a brokerage firm, bank or other financial institution is responsible for ensuring that any demand for appraisal is made by the record holder of such shares. The beneficial owner of such shares of Common Stock who desires appraisal should instruct such firm, bank or institution that the demand for appraisal must be made by the record holder of such shares, which may be the nominee of a central security depository if the shares of Common Stock have been so deposited. As required by Section 262 of the DGCL, a demand for appraisal must reasonably inform Holdings of the identity of the holder(s) of record (which may be a nominee as described above) and of such holder's intention thereby to demand appraisal of such shares of Common Stock.

A demand for appraisal signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity must identify the record owner(s) and must be signed in such person's fiduciary or representative capacity. If the shares of Common Stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand must identify and be signed by all of the holders. An authorized agent, including one or more joint owners, may execute a demand for appraisal on behalf of a holder of record; provided the agent identifies the record owner or owners and expressly discloses the fact that, in executing the demand, the agent is agent for such owner or owners.

A record holder such as a broker holding shares of Common Stock as nominee for several beneficial owners may exercise appraisal rights with respect to the shares of Common Stock held for one or more beneficial owners while not exercising such rights with respect to the shares of Common Stock held for other beneficial owners. In such case, the written demand should set forth the number of shares of Common Stock as to which appraisal is sought, and where no number of shares of Common Stock is expressly mentioned, the demand will be presumed to cover all shares of

Common Stock held in the name of the record owner.

Within one hundred and twenty (120) calendar days after the Effective Date, Acquisition Co. or any stockholder entitled to appraisal rights under Section 262 of the DGCL and who has properly demanded an appraisal and who has not effectively withdrawn his, her or its demand (such stockholders being referred to collectively as the “Dissenting Stockholders”), may commence an appraisal proceeding by filing a petition in the Delaware Court demanding a determination of the fair value of the shares of Common Stock held by all of the Dissenting Stockholders. In addition, a beneficial owner of shares of Common Stock as to which demand has been properly made and not effectively withdrawn, where such shares are held in a voting trust or by a nominee on behalf of such beneficial owner, may, in his, her, or its own name, file such a petition. Acquisition Co. is not under any obligation, and has no present intention, to file a petition with respect to the appraisal of the fair value of the shares of Common Stock. Accordingly, a Dissenting Stockholder desiring to file such a petition is advised to file the petition on a timely basis unless the Dissenting Stockholder receives notice that a petition already has been filed by another Dissenting Stockholder. If a stockholder files a petition, a copy of such petition must be served on Acquisition Co. If within the 120-day period, no petition shall have been filed as provided above, all rights to appraisal will cease and all of the stockholders who sought appraisal will become entitled to receive the Stock Merger Price without interest thereon.

Within one hundred and twenty (120) calendar days after the Effective Date, any stockholder of record who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from Acquisition Co. a statement setting forth the aggregate number of shares of Common Stock with respect to which demands for appraisal have been received and the aggregate number of holders of such shares of Common Stock.

Such statement must be mailed within ten (10) calendar days after the later of (i) a written request therefor has been received by Acquisition Co. and (ii) the expiration of the period for the delivery of demands for appraisal. In addition, a beneficial owner of shares of Common Stock as to which demand has been properly made and not effectively withdrawn, where such shares are held in a voting trust or by a nominee on behalf of such beneficial owner, may, in his, her, or its own name, request such written statement.

If a petition for an appraisal is timely filed, service of a copy thereof shall be made upon Acquisition Co. Within twenty (20) days after such service, Acquisition Co. will be obligated to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares of Common Stock and with whom agreements as to the value of such shares of Common Stock have not been reached.

Upon the filing of the petition, the Delaware Court may order that notice of the time and place fixed for the hearing on the petition be mailed to Acquisition Co. and all of the stockholders shown on the verified list. Such notice also shall be published at least one week before the day of the hearing in a newspaper of general circulation published in the City of Wilmington, Delaware or in another publication determined by the Delaware Court. The costs of these notices are borne by Acquisition Co.

If a hearing on the petition is held, the Delaware Court shall determine which stockholders are entitled to an appraisal of their shares of Common Stock. The Delaware Court may require that Dissenting Stockholders submit to the Register in Chancery their stock certificates that had represented shares of Common Stock for notation thereon of the pendency of the appraisal proceedings, and the Delaware Court is empowered to dismiss the proceedings as to any Dissenting Stockholder who does not comply with this request. The Delaware Court shall conduct the appraisal proceeding in accordance with the Delaware Court's rules, including any rules specifically governing appraisal proceedings. The shares of Common Stock will be appraised by the Delaware Court at their "fair value," exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any, to be paid upon the amount determined to be the fair value. The determination of the "fair value" of the shares of Common Stock shall be based upon all factors deemed relevant by the Delaware Court. The value so determined for shares of Common Stock could be more or less than the Stock Merger Price to be delivered pursuant to the merger. Investment banking opinions as to fairness from a financial point of view are not necessarily opinions as to fair value under Section 262 of the DGCL.

If within the 120-day period, no petition shall have been filed as provided above, all rights to appraisal will cease and all of the stockholders who sought appraisal will become entitled to receive the Stock Merger Price without interest thereon. Unless the Delaware Court in its discretion determines otherwise for good cause shown, interest from the Effective Date through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the Effective Date and the date of payment of the judgment. Pursuant to an amendment to Section 262 of the DGCL that applies to certain mergers approved on or after August 1, 2016 (the "Amendment"), if you exercise your appraisal rights and an appraisal proceeding is commenced, Acquisition Co. may make a voluntary cash payment to you prior to the time the Delaware Court of Chancery makes a final judgment in the appraisal proceeding. If Acquisition Co. makes such prepayment, interest will accrue only on the sum of (i) the difference, if any, between the amount paid and the fair value of the shares as determined by the Delaware Court of Chancery and (ii) interest accrued before the prepayment, unless paid at the time of such prepayment.

Upon application by Acquisition Co. or by any AMIC stockholder entitled to participate in the appraisal proceeding, the Delaware Court may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any stockholder whose name appears on the verified list and who has submitted his, her or its certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that he or she is not entitled to appraisal rights.

The Delaware Court shall direct the payment of the fair value of the shares of Common Stock, together with interest, if any, by Acquisition Co. to the stockholders entitled thereto. Payment shall be so made to each such stockholder upon the surrender to Acquisition Co. of his, her or its certificates. The Delaware Court's decree may be enforced as other decrees in the Delaware Court may be enforced.

No appraisal proceeding in the Delaware Court shall be dismissed as to any stockholder without the approval of the Delaware Court, and such approval may be conditioned upon terms which the Delaware Court deems just. This shall not, however, affect the right of a stockholder who has not commenced an appraisal proceeding as to the shares of Common Stock, or joined such an appraisal proceeding as a named party, to withdraw his, her, or its demand for appraisal within sixty (60) days after the Effective Date and to accept the Stock Merger Price.

Any stockholder who has demanded an appraisal in compliance with Section 262 of the DGCL will not, after the Effective Date, be entitled to vote the shares of Common Stock subject to such demand for any purpose or be entitled to the payment of dividends or other distributions on those shares of Common Stock (except dividends or other distributions payable to holders of record of shares of Common Stock as of a date prior to the Effective Date).

If any stockholder who demands appraisal of shares of Common Stock under Section 262 of the DGCL fails to perfect, or effectively withdraws or loses, the right to appraisal, as provided in the DGCL, the shares of Common Stock of such holder will be converted into the right to receive the Stock Merger Price. If no petition is filed within one hundred and twenty (120) calendar days after the Effective Date, all rights to appraisal will cease and all of the Dissenting Stockholders will become entitled to receive the Stock Merger Price, without interest thereon. An appraisal demand may be withdrawn by a stockholder within sixty (60) days after the Effective Date without the approval of Acquisition Co., or thereafter with the approval of Acquisition Co.; provided that the stockholder shall not have commenced an appraisal proceeding with respect to shares of Common Stock or joined such a proceeding as a named party. Upon the effective withdrawal of an appraisal demand by a stockholder, such stockholder will be entitled to receive only the Stock Merger Price. Once a petition for appraisal has been filed, such appraisal proceeding may not be dismissed as to any stockholder without the approval of the Court of Chancery.

For federal income tax purposes, stockholders who receive cash for their shares of Common Stock upon exercise of their statutory right of dissent may realize taxable gain or loss. See “Purposes, Alternatives, Reasons, and Effects of the Merger—Effects—Certain U.S. Federal Income Tax Considerations ” beginning on page 16 of this Schedule 13E-3.

The foregoing summary does not purport to be a complete statement of the procedures to be followed by stockholders desiring to exercise their appraisal rights and is qualified in its entirety by express reference to Section 262 of the DGCL, the full text of which is attached hereto as Exhibit F -1 (pre-Amendment) and F-2(post-Amendment). Any stockholder considering demanding appraisal is advised to consult legal counsel.

STOCKHOLDERS ARE URGED TO READ EXHIBIT F IN ITS ENTIRETY SINCE FAILURE TO COMPLY WITH THE PROCEDURES SET FORTH THEREIN WILL RESULT IN THE LOSS OF APPRAISAL RIGHTS.

(e) *Provisions for Unaffiliated Security Holders.* None of the Filing Persons intends to grant the public stockholders special access to AMIC’s corporate files in connection with the merger. None of the Filing Persons intends to obtain counsel or appraisal services for the public stockholders.

(f) *Eligibility for Listing or Trading.* Not applicable.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(a)

Transactions. IHC and MIC hold an aggregate of 91.43% of the outstanding shares of AMIC Common Stock. See Item 3 “Identity and Background of Filing Persons – Independence Holding Company” on page 32 of this Schedule 13E-3 and “Identity and Background of Filing Persons – Madison Investors Corporation” on page 32 of this Schedule 13E-3. AMIC, IHC and certain of their respective subsidiaries entered into service agreements pursuant to which one party may charge the other on an hourly or cost basis for services provided by employees of one party to the other. AMIC and its subsidiaries incurred expense of \$765,000 and \$891,000 for the twelve months ended December 31, 2015 and 2014, respectively, from service agreements with IHC and its subsidiaries. These payments reimburse IHC and its subsidiaries, at agreed upon rates including an overhead factor, for management services provided to AMIC and its subsidiaries, including accounting, legal, compliance, underwriting, and claims. Because of the large number of companies affiliated with IHC, IHC believes AMIC benefits from cost savings and economies of scale gained by not having certain management, legal, financial and administrative staffs duplicated at each entity, thus allowing certain individuals to provide services to multiple companies but only be compensated by one entity.

IHC's wholly owned indirect subsidiary IAIC derives a significant amount of its business from pro rata quota share reinsurance treaties with Standard Security Life Insurance Company of New York ("SSL") and Madison National Life Insurance Company, Inc. ("MNL"), which are wholly owned subsidiaries of IHC. These treaties, which were to terminate on December 31, 2014, have been amended to extend the termination date to December 31, 2019. For the twelve months ended December 31, 2015 and 2014, SSL and MNL ceded an average of approximately 29% and 27%, respectively, of their medical stop-loss business to IAIC. IAIC reinsures 20% of SSL's New York State Disability Benefits Law ("DBL") business. IAIC assumes 8% of certain of IHC's international health and long term disability business. SSL and MNL ceded approximately 10% of the majority of its fully insured health business to IAIC in 2015 and 2014.

IHC provides AMIC with pro rata quota share reinsurance on business written by IAIC. IAIC incurs a fee on business administered by Ebix Health Administration Exchange, Inc. (f/k/a as IHC Health Solutions, Inc.), a subsidiary of IHC.

AMIC also contracts for several types of insurance coverage (e.g. directors and officers and professional liability coverage) jointly with IHC. The cost of this coverage is split proportionally between AMIC and IHC according to the type of risk. IHC and AMIC benefit from reduced premiums and broader coverage associated with the joint coverage.

IHC and MIC entered into a Tax Allocation Agreement effective July 1, 1993, as amended July 1, 2013 ("IHC-MIC Tax Allocation Agreement"). AMIC wanted to become an includable member of IHC's consolidated U.S. federal income tax return group (the "IHC Tax Group") and to share on an equitable basis the benefits that may be derived from filing a consolidated federal income tax return. AMIC and IHC became eligible on January 15, 2013 to file a consolidated return under Section 1501 of the Internal Revenue Code, and entered into a Tax Allocation Agreement effective January 15, 2013 ("IHC-AMIC Tax Allocation Agreement"). Pursuant to the IHC-AMIC Tax Allocation Agreement, AMIC makes payments to, or receives payments from, IHC in amounts AMIC would have paid to or received from the U.S. Internal Revenue Service had AMIC not been a member of the IHC Tax Group. IHC prepares and files annually, on behalf of the IHC Tax Group, a consolidated federal income tax return and any estimated tax returns for all taxable years in which the IHC Tax Group files on a consolidated basis, and pays the taxes shown to be due thereon. AMIC made net payments to IHC for income taxes of \$0 and \$41,000 in 2015 and 2014, respectively.

Significant Corporate Events. On September 4, 2013, IHC commenced a tender offer to purchase AMIC Common Stock from existing AMIC stockholders. At the time, IHC and MIC together held over 80% of the outstanding shares of AMIC Common Stock. On October 2, 2013, IHC completed the tender offer and purchased 762,640 shares of AMIC Common Stock at a net price per share of \$10.00, increasing its ownership to approximately 90%.
(b) IHC sought to increase its ownership of AMIC to further align the companies' interests and permit additional focus by IHC's management on AMIC.

On March 16, 2014, AMIC and IHC engaged Dowling Hales, LLC and Hales Securities, LLC (together, "Dowling Hales") as a financial advisor with respect to the potential sale (the "Sale") of (i) IHC Risk Solutions, LLC, a wholly owned indirect subsidiary of AMIC ("RS"), and the stop-loss business it produces and (ii) the business of SSL and IAIC (each, a "Ceding Company"), respectively, of issuing, underwriting, selling, renewing, cancelling, reinsuring and administering the medical stop-loss insurance policies issued, renewed or written by a Ceding Company (collectively, the "Business").

On or about November 3, 2014, the President of Dowling Hales spoke with representatives from the Principal Investments & Acquisitions division of Swiss Re to discuss the M&A market in general, as well as Swiss Re's appetite for potential acquisitions. This discussion was followed up by a meeting between the President of Dowling Hales and such Swiss Re representatives on November 12, during which a transaction concerning the Business was discussed.

On November 17, 2014, Swiss Re indicated an interest in further analyzing the Business and indicated its willingness to execute a non-disclosure agreement.

In December 2014, Swiss Re decided to put discussions on hold pending an internal strategic review of its medical stop loss operations.

On April 7, 2015, Michael Kemp of IHC and the President of Dowling Hales met with representatives from Swiss Re's Principal Investments & Acquisitions division at Swiss Re's office in Armonk, NY to discuss again a potential interest in a transaction involving the Business.

On May 14, 2015, Swiss Re's CEO of North America Corporation Solutions, Head of Special Lines North America, and other representatives of Swiss Re met with the President of Dowling Hales, Mr. Kemp and Ms. Herbert to discuss the business and strategy and financial performance of RS.

On September 14, 2015, the President of Dowling Hales and Mr. Kemp met with Swiss Re's Head of Special Lines North America and other representatives of Swiss Re to discuss inclusion/exclusion of SSL in a proposed transaction.

On October 2, 2015, Swiss Re submitted a non-binding letter of intent to acquire RS. The strategic planning group committee of IHC and AMIC (the “SPG Committee”), consisting of Mr. Kettig, Ms. Herbert, Mr. Kemp, Roy Thung, Larry Graber and Gary Balzofiore, considered this bid, and ultimately decided to accept the bid from Swiss Re and execute a letter of intent. Because Mr. Kemp was to be employed by Swiss Re after the consummation of the Sale, Mr. Kemp recused himself from any decision-making made by the SPG Committee.

On November 2, 2015, a due diligence coordination conference call was held in which several representatives of Swiss Re (including the CEO of North America Corporation Solutions, the Head of Special Lines North America, and representatives from Principal Investments & Acquisitions division), several representatives IHC and AMIC (including Mr. Kemp, Mr. Kettig and Ms. Herbert), and several representatives of Dowling Hales (including the President and Vice President) attended. On November 10, 2015, a kick-off due diligence meeting and management presentation was attended by certain representatives of Swiss Re, IHC, AMIC, Dowling Hales, and Ernst & Young.

On January 5, 2016, IHC, AMIC’s wholly owned subsidiary Independence American Holdings Corp. (“IAHC”), which is the sole owner of RS, and Swiss Re entered into a purchase and sale agreement (the “Purchase Agreement”). The aggregate purchase price for the Sale was \$152,500,000 in cash, of which AMIC and its subsidiaries received approximately 89% and SSL received the balance. The Board of Directors of each of IHC, AMIC and SSL held special meetings by teleconference, during which their full boards, including the independent members, approved the Sale. The Sale may constitute the sale of “substantially all” of AMIC’s assets within the meaning of the DGCL, so on February 9, 2016, AMIC filed with the SEC, and mailed to the minority stockholders, a Schedule 14C Information Statement to notify them that, among other things, IHC and MIC, holders of an aggregate of approximately 92% of the outstanding shares of Common Stock, approved the Sale by written consent. Neither the Sale nor the merger to which this Schedule 13e-3 relates were connected with, or contingent upon, the other.

Negotiations or Contacts. There were no negotiations or material contacts that occurred during the last two years (c) concerning the matters referred to in paragraph (b) of this Item 5 between (i) any affiliates of AMIC or (ii) AMIC or any of its affiliates and any person not affiliated with AMIC who would have a direct interest in such matters.

(e) *Agreements Involving the Subject Company’s Securities.* There are no agreements, arrangements or understandings between the Filing Persons and any other person with respect to any securities of AMIC.

Item 6. Purpose of the Transaction and Plans or Proposals.

(b) *Use of Securities Acquired.* In connection with the merger, the Common Stock acquired in the merger from stockholders other than the Filing Persons will be cancelled.

Plans. It is currently expected that, following the consummation of the merger, the business and operations of AMIC will, except as set forth in this Schedule 13E-3, be conducted by the Surviving Corporation substantially as they currently are being conducted before completion of the merger. The Filing Persons intend to continue to evaluate the business and operations of the Surviving Corporation with a view to maximizing the Surviving Corporation's potential, and it will take such actions as it deems appropriate under the circumstances and market conditions then existing.

The Filing Persons intend to cause the Surviving Corporation to terminate the registration of the Common Stock under Section 12(g)(4) of the Exchange Act following the merger, which would result in the suspension of the Surviving Corporation's duty to file reports pursuant to the Exchange Act. The Filing Persons also intend to cause the Surviving Corporation to delist its common stock from the NASDAQ Capital Market. For additional information see Item 4 "Terms of the Transaction" on page 33 of this 13E-3 and "Special Factors - Purposes, Alternatives, Reasons, and Effects of the Merger—Effects" on page 14 of this Schedule 13E-3. As of the date of this Schedule 13E-3, the Filing Persons do not currently contemplate any material change in the composition of AMIC's current management, except that the Filing Persons will appoint a new Board of Directors for the Surviving Corporation and will likely reduce the number of directors.

Except as described in this Schedule 13E-3, AMIC does not have any plans, proposals or negotiations that relate to or would result in:

- any extraordinary transaction, such as a merger, reorganization or liquidation, involving the subject company or any of its subsidiaries;
- any purchase, sale or transfer of a material amount of assets of the subject company or any of its subsidiaries;
- any material change in the present dividend rate or policy, or indebtedness or capitalization of the subject company;
- or
- any other material change in the subject company's corporate structure or business.

Item 7. Purposes, Alternatives, Reasons and Effects.

See "Special Factors - Purposes, Alternatives, Reasons and Effects of the Merger" beginning on page 12 of this Schedule 13E-3 and "Special Factors - Purposes, Alternatives, Reasons, and Effects of the Merger—Effects—Certain U.S. Federal Income Tax Considerations" beginning on page 16 of this Schedule 13E-3.

Item 8. Fairness of the Transaction.

See "Fairness of the Merger" beginning on page 19 of this Schedule 13E-3.

Item 9. Reports, Opinions, Appraisals and Certain Negotiations.

See “Special Factors—Reports, Opinions, Appraisals, and Negotiations” beginning on page 23 of the Schedule 13E-3.

Item 10. Source and Amounts of Funds or Other Consideration.

Source of Funds. The total amount of funds required by Acquisition Co. to pay the Stock Merger Price to all holders of Common Stock other than the Filing Persons, and to pay related fees and expenses, is estimated to be approximately \$18,328,000, including \$480,000 of fees and expenses. In order to pay the Stock Merger Price, Acquisition Co. will borrow the necessary funds from IHC in consideration of Acquisition Co.'s execution of a promissory note in favor of IHC with a principal amount equal to the Stock Merger Price. The promissory note will mature on the one year anniversary of the issuance of the note (the “Maturity Date”) and accrue interest at an annual rate of 5.0%, payable on the Maturity Date. The note will allow prepayment without penalty. The outstanding principal amount and accrued but unpaid interest thereon will be due on the Maturity Date.

(a) *Conditions.* Since IHC’s loan to Acquisition Co. will be without conditions, there are no conditions to completing the merger.

(b) *Expenses.* Neither of the Filing Persons will pay any fees or commissions to any broker or dealer in connection with the merger. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Filing Persons for customary mailing and handling expenses incurred by them in forwarding materials to their customers. The Paying Agent will receive reasonable and customary compensation for its services and will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the merger, including certain liabilities under U.S. federal securities laws.

The following is an estimate of the fees and expenses to be incurred by the Filing Persons in connection with the merger:

	Fees
Legal Fees and Expenses	\$200,000
Valuation Analysis	\$200,000
Paying Agent (including printing, mailing and filing)	\$10,000
Miscellaneous	\$70,000
Total	\$480,000

Borrowed Funds. In order to pay the Stock Merger Price, Acquisition Co. will borrow the necessary funds from IHC in consideration of Acquisition Co.'s execution of a promissory note in favor of IHC with a principal amount equal to the Stock Merger Price. The promissory note will mature on the one year anniversary of the issuance of the note (the "Maturity Date") and accrue interest at an annual rate of 5.0%, payable on the Maturity Date. The note will allow prepayment without penalty. The outstanding principal amount and accrued but unpaid interest thereon will be due on the Maturity Date.

Item 11. Interest in Securities of the Subject Company.

Securities Ownership. As of June 15, 2016, there were outstanding 8,118,551 shares of Common Stock, of which 7,423,151, or 91.43%, were beneficially owned collectively by the IHC Entities. Immediately prior to the mailing of this Schedule 13E-3, the IHC Entities will contribute to Acquisition Co. such 7,423,151 shares of Common (a) Stock. Because the IHC Entities will hold, in the aggregate, 100% of the capital stock of Acquisition Co. following such contribution, they may also be deemed to be the beneficial owners of these shares of Common Stock. In addition, to the extent known after making reasonable inquiry, the beneficial ownership of AMIC Common Stock by its directors and executive officers is set forth below:

Name	Number of Shares	Percent of Class
Edward A. Bennett	25,001	*
Teresa A. Herbert	—	—
David T. Kettig	—	—
Steven B. Lapin	—	—
Myron M. Picoult	18,779	*
Ronald I. Simon	17,779	*
James G. Tatum	9,445	*
Roy T. K. Thung	—	—
All directors, nominees for director and executive officers as a group (8 persons)	71,004	0.87 %

* Represents less than 1% of the outstanding common stock.

Securities Transactions. Immediately prior to the mailing of this Schedule 13E-3, the IHC Entities intend to contribute 7,423,151 shares of Common Stock to Acquisition Co. No transactions in the Common Stock were (b) effected during the past sixty (60) days by the Filing Persons or, to the best knowledge of the Filing Persons, the directors and executive officers of any of the Filing Persons.

Item 12. The Solicitation or Recommendation.

Not Applicable.

Item 13. Financial Information.

(a) Financial Information.

The audited consolidated financial statements of AMIC for the years ended December 31, 2015 and 2014 are incorporated herein by reference to the Consolidated Financial Statements of AMIC included as Item 8 to AMIC's Annual Report on Form 10-K for its fiscal years ended December 31, 2015 and December 31, 2014 (the "Form 10-K").

The Form 10-K is available for inspection and copying at the SEC's public reference facilities at 450 Fifth Street, N.W., Washington, D.C. 20549. Copies may be obtained at prescribed rates from the SEC's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC also maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at <http://www.sec.gov>.

AMIC had no registered debt or preferred stock outstanding and accordingly does not report a ratio of earnings to fixed charges. AMIC's book value per share as of December 31, 2015 was \$12.85.

(b) Pro Forma Information

Pro forma financial information disclosing the effect of the merger on AMIC is not material.

However, on March 31, 2016, AMIC consummated its disposition of all of the equity interests of its indirect subsidiary IHC Risk Solutions, LLC to SR Corporate Solutions America Holding Corporation, a division of Swiss Re (the "Sale"). As a result of this transaction, AMIC subsequently filed with the SEC certain pro forma financial information in connection with the Sale.

In light of AMIC's recent filing of such pro forma financial information, the following pro forma consolidated financial statements of AMIC for the Sale are incorporated herein by reference to the (i) Pro Forma Condensed Consolidated Balance Sheet of AMIC at December 31, 2015, as if the Sale had occurred as of that date, (ii) Pro Forma Condensed Consolidated Statement of Income of AMIC for the year ended December 31, 2015, as if the Sale had occurred as of the beginning of the period, and (iii) Pro Forma Condensed Consolidated Statement of Income of AMIC for the years ended December 31, 2014 and 2013, as if the Sale was discontinued operations for those periods, and the related notes thereto, included in AMIC's Current Report on Form 8-K/A filed with the SEC on June 13, 2016. The Pro Forma book value per share as if the Sale had occurred as of December 31, 2015 was \$26.94.

(c) Summary Information.

Set forth below is certain selected consolidated financial information with respect to AMIC excerpted or derived by the Filing Persons from the audited consolidated financial statements of AMIC contained in the Form 10-K. More comprehensive financial information is included in the Form 10-K and in other documents filed by AMIC with the SEC, and the following financial information is qualified in its entirety by reference to the Form 10-K and other documents and all of the financial information (including any related notes and schedules) contained therein or incorporated by reference therein.

The selected financial information presented below as of and for the fiscal years ended December 31, 2015 and December 31, 2014 have been derived from AMIC's audited consolidated financial statements, but has been revised to reflect discontinued operations for the Sale. The selected financial information should be read in conjunction with the consolidated financial statements, related notes and other financial information incorporated by reference therein.

	Year Ended December 31, (Unaudited)	
	2015	2014
Income Data:		
Total revenues	\$ 166,075	\$ 151,556
Income before taxes from continuing operations	2,921	2,682
Income from continuing operations attributable to AMIC	1,418	3,480
Net Income attributable to AMIC	3,529	5,250
Balance Sheet Data:		
Total investments	92,122	78,902
Total assets	196,974	173,694
Insurance liabilities	45,141	33,616
Debt	3,189	-
AMIC stockholders' equity	103,920	100,090
Non-controlling Interest	3,278	2,760
Per Share Data Attributable to AMIC:		
Cash dividends	-	-
Basic income from continuing operations	.18	.43
Diluted income from continuing operations	.18	.43
Basic income per common share	.44	.65
Diluted income per common share	.44	.65
Book value per common share	12.85	12.39

Item 14. Persons/Assets, Retained, Employed, Compensated or Used.

(a) *Solicitations or Recommendations.* There are no persons or classes of persons who are directly or indirectly employed, retained, or to be compensated to make solicitations or recommendations in connection with the merger.

Employees and Corporate Assets. Certain officers, class of employees and corporate assets of AMIC has been or will be employed by or used by the Filing Persons in connection with the merger, such as assistance by AMIC's (b) controller with the preparation of the financial information in Item 13 of this Schedule 13e-3, use of members of the Legal Department to draft this Schedule 13e-3 and effectuate the merger, and contribution by the officers of time and effort to consummate the merger.

Item 15. Additional Information.

None.

Item 16. Exhibits.

(a) Form of Notice of Merger and Appraisal Rights

(b) Form of Promissory Note issued by Acquisition Co. for the benefit of IHC

(c) Valuation Analysis performed by Duff & Phelps, LLC dated June 14, 2016

(d) Form of Contribution Agreement by and among Independence Holding Company, Madison Investors Corporation and AMIC Holdings, Inc.

(f) Section 262 of the Delaware General Corporation Law

(g) None

SIGNATURES

After due inquiry and to the best knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated as of June 27, 2016

**AMIC HOLDINGS,
INC.**

By: /s/ David T. Kettig
Name: David T. Kettig
Title: President

**INDEPENDENCE
HOLDING
COMPANY**

By: /s/ Teresa A. Herbert
Name: Teresa A. Herbert
Title: Chief Financial
Officer and Sr. Vice
President

**MADISON
INVESTORS
CORPORATION**

By: /s/ Larry R. Graber
Name: Larry R. Graber
Title: President

EXHIBIT INDEX

Exhibit Description

- (a) Form of Notice of Merger and Appraisal Rights
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- (d) Form of Contribution Agreement by and among Independence Holding Company, Madison Investors Corporation and AMIC Holdings, Inc.
- (f) Section 262 of the Delaware General Corporation Law
- (g) None

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SCHEDULE I**DIRECTORS AND EXECUTIVE OFFICERS OF FILING PERSONS**

The name, business address, position with entity, present principal occupation or employment, and five-year employment history of the directors and executive officers of the relevant company, together with the names, principal businesses and addresses of any corporations or other organizations in which such occupation is conducted, are set forth below. Except as otherwise indicated, each occupation set forth refers to the company of which the person is an officer or director.

ACQUISITION CO.

NAME AND ADDRESS	POSITION WITH ACQUISITION CO.	PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
David T. Kettig 485 Madison Ave. New York, NY 10022	President and Director	Since March 4, 2016, Chief Operating Officer and director of AMIC Holdings, Inc.; since February 2015, Chief Operating Officer, Executive Vice President and Acting General Counsel of IHC; since April 2009, Chief Operating Officer and Senior Vice President of IHC; since August 2013, President of AMIC; from April 2009 to March 2012, Chief Operating Officer and Senior Vice President of AMIC; since March 2011, a director of AMIC; for more than the past five years, President and a director of Independence American Insurance Company; since March 2016, CEO of Standard Security Life Insurance Company of New York, from March 2012 to March 2016, President of Standard Security Life Insurance Company of New York; since May 2012, a director of Standard Security Life Insurance Company of New York.
Teresa A. Herbert 485 Madison Ave. New York, NY 10022	CFO and Director	Since March 4, 2016, 2016, Chief Financial Officer and director of AMIC Holdings, Inc.; for more than the past five years, Chief Financial Officer and Senior Vice President of IHC; for more than the past five years, Vice President of Geneve Corporation, a private company controlled by Geneve Holdings, Inc., a private diversified holding company; for more than the past five years, Chief Financial Officer and Senior Vice President of AMIC; since March 2011, a director of AMIC.

<p>Larry R. Graber</p> <p>485 Madison Ave.</p> <p>New York, NY 10022</p>	<p>VP and Director</p>	<p>Since March 4, 2016, Senior Vice President and director of AMIC Holdings, Inc.; since March 2012, Chief Life and Annuity Actuary and Senior Vice President of IHC; for more than five years prior thereto, Senior Vice President — Life and Annuities of IHC; for more than the past five years, a director and President of Madison National Life Insurance Company, Inc., a wholly owned subsidiary of IHC; for more than the past five years, a director and President of Southern Life and Health Insurance Company, an insurance company and wholly owned subsidiary of Geneve Holdings, Inc., the controlling shareholder of IHC, with principal offices in Homewood, Alabama; for more than the past five years, a director of Standard Security Life Insurance Company of New York, a wholly owned subsidiary of IHC.</p>
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INDEPENDENCE HOLDING COMPANY

NAME AND ADDRESS	POSITION WITH IHC	PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
<p>Roy T.K. Thung</p> <p>96 Cummings Point Road</p> <p>Stamford, CT 06902</p>	<p>CEO, President and Chairman of the Board</p>	<p>Since March 2011, Chief Executive Officer, President and Chairman of the Board of IHC; since January 2000, Chief Executive Officer of IHC; since July 1999, President of IHC; for more than five years prior to July 1999, Executive Vice President and Chief Financial Officer of IHC; for more than the past five years, Executive Vice President of Geneve Corporation, a private company controlled by IHC's controlling shareholder; since July 2002, a director of AMIC; from November 2002 until March 2012, Chief Executive Officer and President of AMIC; since March 2012, Chief Executive Officer of AMIC; for more than the past five years, Chief Executive Officer and Chairman of the Board of Standard Security Life Insurance Company of New York; for more than the past five years, Chairman of the Board of Madison National Life Insurance Company, Inc..</p>

Larry R. Graber
 96 Cummings Point Road
 Stamford, CT 06902

Chief Life and Annuity Actuary, Sr. VP and Director

Since March 4, 2016, Senior Vice President and director of AMIC Holdings, Inc.; since March 2012, Chief Life and Annuity Actuary and Senior Vice President of IHC; for more than five years prior thereto, Senior Vice President — Life and Annuities of IHC; for more than the past five years, a director and President of Madison National Life Insurance Company, Inc., a wholly owned subsidiary of IHC; for more than the past five years, a director and President of Southern Life and Health Insurance Company, an insurance company and wholly owned subsidiary of Geneve Holdings, Inc., the controlling shareholder of IHC, with principal offices in Homewood, Alabama; for more than the past five years, a director of Standard Security Life Insurance Company of New York, a wholly owned subsidiary of IHC.

David T. Kettig
 96 Cummings Point Road
 Stamford, CT 06902

Chief Operating Officer, Executive VP and Director

Since March 4, 2016, Chief Operating Officer and director of AMIC Holdings, Inc.; since February 2015, Chief Operating Officer, Executive Vice President and Acting General Counsel of IHC; since April 2009, Chief Operating Officer and Senior Vice President of IHC; since August 2013, President of AMIC; from April 2009 to March 2012, Chief Operating Officer and Senior Vice President of AMIC; since March 2011, a director of AMIC; for more than the past five years, President and a director of Independence American Insurance Company; since March 2016, CEO of Standard Security Life Insurance Company of New York; from March 2012 to March 2016, President of Standard Security Life Insurance Company of New York; since May 2012, a director of Standard Security Life Insurance Company of New York.

Teresa A.
Herbert

96
Cummings
Point Road

Stamford,
CT 06902

CFO
and Sr.
VP

Since March 4, 2016, Chief Financial Officer and director of AMIC Holdings, Inc.; for more than the past five years, Chief Financial Officer and Senior Vice President of IHC; for more than the past five years, Vice President of Geneve Corporation, a private company controlled by Geneve Holdings, Inc., a private diversified holding company; for more than the past five years, Chief Financial Officer and Senior Vice President of AMIC; since March 2011, a director of AMIC.

Allan C.
Kirkman

96
Cummings
Point Road

Director

For more than the past five years, a member of each of the Audit Committee and the Compensation Committee of IHC; since March 2011, Chairman of the Compensation Committee of IHC; for more than five years prior to Mr. Kirkman's retirement in October 2005, Executive Vice President of Mellon Bank, N.A., a national bank.

Stamford,
CT 06902

John L.
Lahey

96
Cummings
Point Road

Director

For more than the past five years, a member of the Audit Committee of IHC; since March 2011, a member of the Compensation Committee of IHC; since March 1987, President of Quinnipiac University, a private university located in Hamden, Connecticut; since 1995, a member of the Board of Trustees of Yale-New Haven Hospital, a hospital located in New Haven, Connecticut; since 1994, a director of the UIL Holdings Corporation, a publicly held utility holding company with principal offices in New Haven, Connecticut; since December 2015, a director, Audit and Compliance Committee member, and Executive Committee member of Avangrid, Inc., a diversified energy and utility company that is the successor-in-interest by merger to UIL Holdings Corporation, with principal offices in New Haven, Connecticut; since 2004, a director of Alliance for Cancer Gene Therapy, the only national non-profit organization committed exclusively to cancer gene and cell therapy research; since June 2006, a director of Standard Security Life Insurance Company of New York. Mr. Lahey also serves as a director and Chairman of the Board of the New York City St. Patrick's Day Parade, Inc.

Stamford,
CT 06902

Steven B. Lapin
96 Cummings Point Road
Stamford, CT 06902

Director

For more than the past five years, Vice Chairman of the Board of Directors of IHC; since March 2011, Chairman of the Board of Directors, Chief Executive Officer and President of Geneve Corporation, a wholly-owned subsidiary of Geneve Holdings, Inc., IHC's controlling stockholder; for more than five years prior to March 2011, President and Chief Operating Officer and a director of Geneve Corporation; for more than five years prior to June 2015, President and a director of The Aristotle Corporation, a private company controlled by Geneve Holdings, Inc.; since April 2011, a director of AMIC; for more than the past five years, a director of Madison National Life Insurance Company, Inc.; for more than the past five years, a director of Standard Security Life Insurance Company of New York.

James G. Tatum
96 Cummings Point Road
Stamford, CT 06902

Director

Since June 2002, Chairman of the Audit Committee of IHC; for more than the past five years, member of the Compensation Committee of IHC; for more than the past five years, a director of Standard Security Life Insurance Company of New York; for more than the past five years, sole proprietor of J. Tatum Capital, LLC, a registered investment advisor, located in Birmingham, Alabama, managing funds primarily for individual and trust clients; for more than twenty-five years, Chartered Financial Analyst; since March 2011, a director of AMIC; since March 2011, a member of the Audit Committee of AMIC.

MADISON INVESTORS CORPORATION

NAME AND ADDRESS	POSITION WITH MIC	PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
Roy T.K. Thung 96 Cummings Point Road Stamford, CT 06902	Director	For more than the past five years, Director of MIC; since March 2011, Chief Executive Officer, President and Chairman of the Board of IHC; since January 2000, Chief Executive Officer of IHC; since July 1999, President of IHC; for more than five years prior to July 1999, Executive Vice President and Chief Financial Officer of IHC; for more than the past five years, Executive Vice President of Geneve Corporation, a private company controlled by IHC's controlling shareholder; since July 2002, a director of AMIC; from November 2002 until March 2012, Chief Executive Officer and President of AMIC; since March 2012, Chief Executive Officer of AMIC; for more than the past five years, Chief Executive Officer and Chairman of the Board of Standard Security Life Insurance Company of New York; for more than the past five years, Chairman of the Board of Madison National Life Insurance Company, Inc..
Larry R. Graber 96 Cummings Point Road Stamford, CT 06902	President	For more than the past five years, President of MIC; since March 4, 2016, Sr. VP and director of AMIC Holdings, Inc.; since March 2012, Chief Life and Annuity Actuary and Senior Vice President of IHC; for more than five years prior thereto, Senior Vice President — Life and Annuities of IHC; for more than the past five years, a director and President of Madison National Life Insurance Company, Inc., a wholly owned subsidiary of IHC; for more than the past five years, a director and President of Southern Life and Health Insurance Company, an insurance company and wholly owned subsidiary of Geneve Holdings, Inc., the controlling shareholder of IHC, with principal offices in Homewood, Alabama; for more than the past five years, a director of Standard Security Life Insurance Company of New York, a wholly owned subsidiary of IHC..

David T. Kettig

96 Cummings
Point Road

Stamford, CT
06902

Sr. VP and
Director

For more than the past five years, Sr. VP and Director of MIC; since March 4, 2016, Chief Operating Officer and director of AMIC Holdings, Inc.; since February 2015, Chief Operating Officer, Executive Vice President and Acting General Counsel of IHC; since April 2009, Chief Operating Officer and Senior Vice President of IHC; since August 2013, President of AMIC; from April 2009 to March 2012, Chief Operating Officer and Senior Vice President of AMIC; since March 2011, a director of AMIC; for more than the past five years, President and a director of Independence American Insurance Company; since March 2016, CEO of Standard Security Life Insurance Company of New York; from March 2012 to March 2016, President of Standard Security Life Insurance Company of New York; since May 2012, a director of Standard Security Life Insurance Company of New York.

Teresa A.
Herbert

96 Cummings
Point Road

Stamford, CT
06902

Chief
Financial
Officer and Sr.
VP

For more than the past five years, Chief Financial Officer and Senior Vice President of MIC; since March 4, 2016, Chief Financial Officer and director of AMIC Holdings, Inc.; for more than the past five years, Chief Financial Officer and Senior Vice President of IHC; for more than the past five years, Vice President of Geneve Corporation, a private company controlled by Geneve Holdings, Inc., a private diversified holding company; for more than the past five years, Chief Financial Officer and Senior Vice President of AMIC; since March 2011, a director of AMIC.

EXHIBIT A

FORM OF NOTICE OF MERGER AND APPRAISAL RIGHTS

_____, 2016

To the Former Holders of Common Stock of American Independence Corp.:

NOTICE IS HEREBY GIVEN, pursuant to Sections 253(d) and 262(d)(2) of the General Corporation Law of the State of Delaware (the “DGCL”), that the merger (the “Merger”) of American Independence Corp., a Delaware corporation (“AMIC”), with and into AMIC Holdings, Inc., a Delaware corporation (“Holdings”), became effective on _____, 2016 (the “Effective Date”). Immediately prior to the Effective Date, Holdings owned more than 90% of the outstanding shares of common stock, par value \$0.01 per share (the “Common Stock”), of AMIC. For these reasons, among others, under applicable Delaware law, no action was required by the stockholders of AMIC (other than Holdings) for the Merger to become effective.

Pursuant to the terms of the Merger, each outstanding share of Common Stock, other than shares owned by Holdings, shares held in treasury, and shares as to which appraisal rights are perfected (as described in the Transaction Statement on Schedule 13E-3 (the “Schedule 13E-3”), that was held immediately prior to the Effective Date now represents only the right to receive \$24.74 per share in cash, without interest (the “Stock Merger Price”). The Stock Merger Price will be paid upon surrender of the certificates that formerly represented shares of Common Stock and compliance with the instructions provided in the Letter of Transmittal described below. As a result of the Merger, AMIC has been merged with and into Holdings, with Holdings being the surviving entity and owned by Independence Holding Company and Madison Investors Corporation (together, the “IHC Entities”).

To obtain payment for your Common Stock, the certificate(s) formerly representing such shares, properly endorsed or accompanied by an effective stock power, together with the enclosed Letter of Transmittal, must be mailed or delivered by hand or overnight courier to the Paying Agent for the Merger, Broadridge Corporate Issuer Solutions, Inc., at the address set forth in the enclosed Letter of Transmittal. Please read and follow carefully the instructions set forth in the enclosed Letter of Transmittal to obtain payment for your shares of Common Stock.

Former stockholders of AMIC who do not wish to accept the Stock Merger Price and who follow the procedures specified in Section 262 of the DGCL have the right under Delaware law to seek an appraisal of the “fair value” (as

defined pursuant to Section 262 of the DGCL) of their respective shares of Common Stock, exclusive of any element of value arising from the accomplishment or expectation of the Merger, in the Delaware Court of Chancery (the “Court of Chancery”).

Section 262 of the DGCL provides the procedure by which persons who were stockholders of AMIC at the time of the Merger may seek an appraisal of their shares of Common Stock in lieu of accepting the Stock Merger Price. The value determined by the Court of Chancery for the shares of Common Stock may be more than, less than or the same as the Stock Merger Price. Pursuant to an amendment to Section 262 of the DGCL that applies to certain mergers approved on or after August 1, 2016 (the “Amendment”), if you exercise your appraisal rights and an appraisal proceeding is commenced, Acquisition Co. may make a voluntary cash payment to you prior to the time the Delaware Court of Chancery makes a final judgment in the appraisal proceeding. If Acquisition Co. makes such prepayment, interest will accrue only on the sum of (i) the difference, if any, between the amount paid and the fair value of the shares as determined by the Delaware Court of Chancery and (ii) interest accrued before the prepayment, unless paid at the time of such prepayment.

In order to perfect your appraisal rights under Section 262 of the DGCL, you must make a written demand for appraisal within twenty (20) days after the date of mailing of this Notice of Merger and Appraisal Rights and otherwise comply with the procedures for exercising appraisal rights set forth in Section 262 of the DGCL. A summary of those procedures in connection with the Merger is set forth below and in Item 4 of the Schedule 13E-3. However, the summary contained below and in the Schedule 13E-3 is not, and does not purport to be, a complete statement of the applicable provisions of Section 262 of the DGCL and is qualified in its entirety by the full text of Section 262 of the DGCL, a copy of which is set forth as Appendix A hereto (both pre-Amendment and post-Amendment). You should carefully read Section 262 of the DGCL, particularly the procedural steps required to perfect appraisal rights, because failure to strictly comply with the procedural requirements set forth in Section 262 of the DGCL may result in an irrevocable loss of appraisal rights. **YOU ARE URGED TO CONSULT WITH YOUR OWN ATTORNEY REGARDING THE APPRAISAL RIGHTS AVAILABLE TO FORMER AMIC STOCKHOLDERS, AND THE PROCESS TO PERFECT YOUR APPRAISAL RIGHTS UNDER SECTION 262 OF THE DGCL.**

If you do NOT plan to seek an appraisal of all of your shares of Common Stock, Holdings requests that you execute (or, if you are not the record holder of such shares, to arrange for such record holder or such holder’s duly authorized representative to execute) and mail postage paid the enclosed Letter of Transmittal to the Paying Agent at the address set forth in the Letter of Transmittal, accompanied by the certificate(s) that formerly represented such shares if such shares are certificated. You should note that surrendering to Holdings certificates for your shares of Common Stock will constitute a waiver of your appraisal rights under the DGCL.

You should note that the method of delivery of the Letter of Transmittal and/or any other required documentation is at the election and risk of the former stockholder. If the decision is made to send the Letter of Transmittal by mail, it is recommended that such Letter of Transmittal be sent by registered mail, properly insured, with return receipt requested.

Appraisal Procedure

This Notice of Merger and Appraisal Rights affords you the notice required by Section 262(d)(2) of the DGCL. The right to appraisal may be lost unless it is perfected by full and precise satisfaction of the requirements of Section 262 of the DGCL, the text of which is set forth in full in Appendix A attached to this Notice of Merger and Appraisal Rights. Mere failure to execute and return the enclosed stock power or lost stock affidavit along with your stock certificate(s) to Holdings does NOT satisfy the requirements of Section 262; rather, a separate written demand for appraisal must be properly executed and delivered to Holdings as described below.

Under the DGCL, record holders of shares of Common Stock as of the Effective Date (the “Record Date”) who follow the procedures set forth in Section 262 of the DGCL will be entitled to seek an appraisal of their shares of Common Stock by the Court of Chancery and to receive payment of the “fair value” (as defined pursuant to Section 262 of the DGCL) of their shares of Common Stock together with interest, if any, as determined by the Court of Chancery. The fair value as determined by the Court of Chancery is exclusive of any element of value arising from the accomplishment or expectation of the Merger. The following is a summary of certain of the provisions of Section 262 of the DGCL and is qualified in its entirety by reference to the full text of Section 262 of the DGCL, a copy of which is attached hereto as Appendix A.

Stockholders who wish to assert appraisal rights must make written demand within 20 days after the date of this Notice of Merger and Appraisal Rights written above. Such demand will be sufficient if it reasonably informs Holdings of the identity of the stockholder making the demand and that the stockholder intends thereby to demand an appraisal of the fair value of the shares of Common Stock held of record by such stockholder. Failure to make such a timely demand will foreclose your right to appraisal. All written demands for appraisal of shares of Common Stock should be sent or delivered to Holdings at the following address:

AMIC Holdings, Inc.

485 Madison Avenue, 14th Floor

New York, NY 10022

Attn: Ms. Loan Nisser, VP and Secretary

Only a holder of record of shares of Common Stock as of the Record Date, or a person duly authorized and explicitly purporting to act on his, her or its behalf, is entitled to demand an appraisal of the shares of Common Stock registered in that holder’s name. A demand for appraisal should be executed by or on behalf of the holder of record fully and correctly, as the holder’s name appears in the stock register of Holdings.

A beneficial owner of shares of Common Stock, such as a holder of shares in “street name,” who desires to seek appraisal should take such actions as may be necessary to ensure that a timely and proper demand for appraisal is made by the record holder of such shares. Securities held through brokerage firms, banks and other financial institutions are frequently deposited with and held of record in the name of a nominee of a central security deposit, such as The Depository Trust Company, Cede & Co. and others. Any beneficial owner desiring appraisal who holds shares of Common Stock through a brokerage firm, bank or other financial institution is responsible for ensuring that any demand for appraisal is made by the record holder of such shares. The beneficial owner of such shares of Common Stock who desires appraisal should instruct such firm, bank or institution that the demand for appraisal must be made by the record holder of such shares, which may be the nominee of a central security depository if the shares of Common Stock have been so deposited. As required by Section 262 of the DGCL, a demand for appraisal must

reasonably inform Holdings of the identity of the holder(s) of record (which may be a nominee as described above) and of such holder's intention thereby to demand appraisal of such shares of Common Stock.

A demand for appraisal signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity must identify the record owner(s) and must be signed in such person's fiduciary or representative capacity. If the shares of Common Stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand must identify and be signed by all of the holders. An authorized agent, including one or more joint owners, may execute a demand for appraisal on behalf of a holder of record; provided the agent identifies the record owner or owners and expressly discloses the fact that, in executing the demand, the agent is agent for such owner or owners.

A record holder such as a broker holding shares of Common Stock as nominee for several beneficial owners may exercise appraisal rights with respect to the shares held for one or more beneficial owners while not exercising such rights with respect to the shares held for other beneficial owners. In such case, the written demand should set forth the number of shares of Common Stock as to which appraisal is sought and where no number of shares of Common Stock is expressly mentioned, the demand will be presumed to cover all shares of Common Stock held in the name of the record owner.

Within 120 calendar days after the Effective Date, Holdings, or any stockholder entitled to appraisal rights under Section 262 of the DGCL who has complied with the foregoing procedures and who has not effectively withdrawn such stockholder's demand, may commence an appraisal proceeding by filing a petition in the Court of Chancery demanding a determination of the fair value of the shares of Common Stock of all such stockholders. In addition, a beneficial owner of shares of Common Stock as to which demand has been properly made and not effectively withdrawn, where such shares are held in a voting trust or by a nominee on behalf of such beneficial owner, may, in his, her, or its own name, file such a petition. Holdings is not under any obligation, and has no present intention, to file a petition with respect to the appraisal of the fair value of the shares of Common Stock. Accordingly, a stockholder desiring to file such a petition is advised to file the petition on a timely basis, unless the stockholder receives notice that a petition already has been filed by Holdings or another stockholder seeking appraisal. If within the 120-day period, no petition shall have been filed as provided above, all rights to appraisal will cease and all of the stockholders who sought appraisal will become entitled to receive the Stock Merger Price without interest thereon.

Upon the filing of any such petition by a stockholder seeking appraisal, service of a copy thereof shall be made upon Holdings, which shall within twenty (20) days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded appraisal of their shares of Common Stock and with whom agreements as to the value of such shares have not been reached by Holdings.

Within 120 calendar days after the Effective Date, any stockholder of record who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from Holdings a statement setting forth the aggregate number of shares of Common Stock with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such statement must be mailed within ten (10) calendar days after a written request for such statement has been received by Holdings or within ten (10) calendar days after the

expiration of the period for the delivery of demands for appraisal, whichever is later. In addition, a beneficial owner of shares of Common Stock as to which demand has been properly made and not effectively withdrawn, where such shares are held in a voting trust or by a nominee on behalf of such beneficial owner, may, in his, her, or its own name, request such written statement.

Upon the filing of the petition, the Register in Chancery, if so ordered by the Court of Chancery, shall give notice of the time and place fixed for the hearing on the petition by registered or certified mail to Holdings and all of the stockholders shown on the verified list. Such notice also shall be published at least one week before the day of the hearing in a newspaper of general circulation published in the City of Wilmington, Delaware or such other publication the Court of Chancery deems advisable. The costs of these notices are borne by Holdings.

If a hearing on the petition is held, the Court of Chancery shall determine which stockholders are entitled to an appraisal of their shares of Common Stock. The Court of Chancery may require stockholders who have demanded an appraisal and who hold shares of Common Stock represented by certificates to submit their certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings. If any stockholder fails to comply with such direction, the Court of Chancery may dismiss the proceedings as to such stockholder.

The Court of Chancery shall conduct the appraisal proceeding in accordance with the Court of Chancery's rules, including any rules specifically governing appraisal proceedings. The Court of Chancery will appraise the "fair value" of the shares of Common Stock exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid upon the amount determined to be the fair value. Holders considering seeking appraisal should be aware that the fair value of their shares of Common Stock as determined under Section 262 of the DGCL could be more than, less than or the same as, the amount per share of Common Stock that they would otherwise receive if they did not seek appraisal of such shares. The determination of the "fair value" of the shares of Common Stock shall be based upon all factors deemed relevant by the Court of Chancery. The Court of Chancery will also determine the amount of interest, if any, to be paid upon the amounts to be received by persons whose shares of Common Stock have been appraised. Unless the Court of Chancery in its discretion determines otherwise for good cause shown, interest on the amount determined to be the fair value shall accrue from the Effective Date of the Merger through the date of the payment of the judgment, shall be compounded quarterly, and shall accrue at 5% over the Federal Reserve discount rate (including any surcharges) as established from time to time during the period between the Effective Date and the date of payment of the judgment. However, Pursuant to an amendment to Section 262 of the DGCL that applies to certain mergers approved on or after August 1, 2016 (the "Amendment"), if you exercise your appraisal rights and an appraisal proceeding is commenced, Acquisition Co. may make a voluntary cash payment to you prior to the time the Delaware Court of Chancery makes a final judgment in the appraisal proceeding. If Acquisition Co. makes such prepayment, interest will accrue only on the sum of (i) the difference, if any, between the amount paid and the fair value of the shares as determined by the Delaware Court of Chancery and (ii) interest accrued before the prepayment, unless paid at the time of such prepayment. The costs of the action may be determined by the Court of Chancery and taxed upon the parties as the Court of Chancery deems equitable. The Court of Chancery may also, on application, order that all or a portion of the expenses incurred by any holder of shares of Common Stock in connection with an appraisal, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts used in the appraisal proceeding, be charged pro rata against the value of all such shares entitled to appraisal.

Upon application by Holdings or by any stockholder entitled to participate in the appraisal proceeding, the Court of Chancery may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any stockholder whose name appears on the verified list and who has submitted his, her or its certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that he, she, or it is not entitled to appraisal rights.

The Court of Chancery shall direct the payment of the fair value of the shares of Common Stock together with interest, if any, by Holdings to the stockholders entitled thereto. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and in the case of holders of shares represented by certificates upon the surrender to Holdings or the Paying Agent of the certificates representing such stock. The Court of Chancery's decree may be enforced as other decrees in the Court of Chancery may be enforced. No appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court of Chancery, and such approval may be conditioned upon terms which the Court of Chancery deems just. This shall not, however, affect the right of a stockholder who has not commenced an appraisal proceeding as to the shares of Common Stock or joined such an appraisal proceeding as a named party, to withdraw his, her, or its demand for appraisal within sixty (60) days after the Effective Date and to accept the Stock Merger Price.

Any stockholder who has duly demanded an appraisal in compliance with Section 262 of the DGCL will not, after the Effective Date, be entitled to vote the shares of Common Stock subject to such demand for any purpose or be entitled to the payment of dividends or other distributions on the shares of Common Stock (except dividends or other distributions payable to holders of record of such shares, as of a record date prior to the Effective Date).

If any stockholder who demands appraisal of shares of Common Stock under Section 262 of the DGCL fails to perfect, or effectively withdraws or loses, the right to appraisal, as provided in the DGCL, the shares of Common Stock of such holder will be converted into the right to receive only the Stock Merger Price. A stockholder will fail to perfect, or effectively lose, the right to appraisal if (among other things) no petition is filed within 120 calendar days after the Effective Date. An appraisal demand may be withdrawn by a stockholder within sixty (60) days after the Effective Date without the approval of Holdings, or thereafter with the approval of Holdings; provided that the stockholder shall not have commenced an appraisal proceeding with respect to the shares of Common Stock or joined such a proceeding as a named party. Upon the effective withdrawal of an appraisal demand by a stockholder, such stockholder will be entitled to receive only the Stock Merger Price. Once a petition for appraisal has been filed, such appraisal proceeding may not be dismissed as to any stockholder without the approval of the Court of Chancery.

The foregoing summary does not purport to be a complete statement of the procedures to be followed by stockholders desiring to exercise their appraisal rights and is qualified in its entirety by express reference to Section 262 of the DGCL, both pre-Amendment and post-Amendment, the full text of which is attached hereto as Appendix A. You should carefully read Section 262 of the DGCL, particularly the procedural steps required to perfect appraisal rights, because failure to strictly comply with the procedural requirements set forth in Section 262 of the DGCL may result in a loss of appraisal rights. **YOU ARE URGED TO CONSULT WITH YOUR OWN ATTORNEY REGARDING THE APPRAISAL RIGHTS AVAILABLE TO AMIC STOCKHOLDERS, AND THE PROCESS TO PERFECT YOUR APPRAISAL RIGHTS UNDER SECTION 262 OF THE DGCL.**

YOU ARE URGED TO READ APPENDIX A IN ITS ENTIRETY SINCE FAILURE TO COMPLY WITH THE PROCEDURES SET FORTH THEREIN MAY RESULT IN THE LOSS OF APPRAISAL RIGHTS.

Please contact Holdings at the address below for additional copies of this Notice of Merger and Appraisal Rights or if you have any questions regarding the matters set forth herein:

AMIC Holdings, Inc.

485 Madison Avenue, 14th Floor

New York, NY 10022

Attn: Ms. Loan Nisser, VP and Secretary

Additional Information

In connection with the Merger, Holdings and certain of its affiliates filed with the U.S. Securities and Exchange Commission (the "SEC") the Schedule 13E-3, which was mailed to the former stockholders of AMIC along with this Notice of Merger and Appraisal Rights on or about _____, 2016.

In making your decision as to the exercise of appraisal rights, you are urged to review the Schedule 13E-3 and all related materials. A copy of the Schedule 13E-3 is enclosed herewith. In addition, copies of the Schedule 13E-3, including all amendments and supplements thereto, can be obtained at Holdings' expense from Holdings if you are a bank or a broker. Finally, the Schedule 13E-3 is also available free of charge on the SEC's website at <http://www.sec.gov>.

AMIC in the past was subject to the informational and reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith filed and furnished periodic and current reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. Such periodic and current reports, proxy statements and other information may be read and copied at the SEC's Public Reference Room located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. AMIC's filings with the SEC are also available to the public from the website maintained by the SEC at <http://www.sec.gov> and AMIC's website at www.americanindependencecorp.com.

Sincerely,

AMIC HOLDINGS, INC.

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EXHIBIT B

FORM OF PROMISSORY NOTE

FOR VALUE RECEIVED, and subject to the terms and conditions set forth herein, the undersigned (hereinafter referred to as “**Maker**”) hereby unconditionally promises to pay to the order of Independence Holding Company, a Delaware corporation (hereinafter referred to as “**Payee**”; Payee and any subsequent holder of this Note being referred to collectively as “**Holder**”), at 96 Cummings Pt. Road, Stamford, CT 06902, or at such other place as Holder may designate, the principal amount of EIGHTEEN MILLION DOLLARS (\$18,000,000), or such lesser amount as may be outstanding hereunder, together with interest on so much thereof as is outstanding hereunder from time to time at the rate stated below from the date of this promissory note (this “**Note**”) until the date on which Maker has fully satisfied its obligations hereunder. The loan evidenced by this Note is a term loan and amounts advanced hereunder may not be repaid and re-borrowed.

1. Interest Rate; Interest Accrual. Interest shall accrue at the *per annum* fixed rate equal to five percent (5.0%) (the “**Interest Rate**”), payable on the Maturity Date (as defined below). Interest shall accrue daily on the unpaid outstanding principal amount of this Note and will be calculated at the rate stated above on the basis of a 360-day year and the actual days elapsed by multiplying the unpaid principal amount by the *per annum* rate stated above, multiplying the product thereof by the actual number of days elapsed, and dividing the product so obtained by 360.

2. Maturity Date; Pre-payments. Principal shall be due and payable to Holder in a single installment payable, together with all accrued but unpaid interest thereon, on the one-year anniversary of this Note (the “**Maturity Date**”). This Note may be pre-paid in whole or in part at any time without prior written consent of Holder and without premium, fee or penalty; provided that the prepayment amount includes all accrued but unpaid interest as of such date.

3. Representations and Warranties. Maker hereby represents and warrants to Holder that: (i) it is a corporation duly incorporated, validly existing and in good standing under the laws of the state of Delaware and has the requisite power and authority to execute and deliver this Note and to perform its obligations hereunder; (ii) the execution and delivery of this Note and the performance of its obligations hereunder have been duly authorized by all necessary corporate action; (iii) no consent or authorization of, filing with, notice to or other act by, or in respect of, any person or entity is required in order for Maker to execute, deliver or perform any of its obligations under this Note; (iv) the execution and delivery of this Note and the consummation by Maker of the transactions contemplated hereby do not and will not violate any provision of Maker’s organizational documents or any law or order applicable to Maker, or constitute a default under any material agreement or contract by which Maker is bound; and (v) the Note is a valid, legal and binding obligation of Maker, enforceable against Maker in accordance with its terms.

4. Default. For the purposes of this Note, an event of default shall be deemed to have occurred upon Maker's (i) failure to timely pay any amounts payable to Holder hereunder when due, (ii) breach of any representation or warranty made hereunder or (iii) failure to satisfy any of its other obligations to Holder under this Note.

5. Remedies. If any event of default under this Note should occur, all unpaid amounts of any or all of the principal amount outstanding hereunder and all accrued but unpaid interest thereon shall, at the option of Holder and without notice or demand, become immediately due and payable and Holder shall have and be entitled to exercise, from time to time, all the rights and remedies available to it as provided elsewhere in this Note, in any other agreement or contract between Maker and Holder, and under applicable law. All of Holder's rights and remedies shall be cumulative.

6. Waiver. With respect to the obligations of Maker under this Note, to the extent permitted by applicable law, Maker waives the following: (i) demand, presentment, protest, notice of dishonor, suit against any party and all other requirements necessary to charge or hold Maker liable on this Note; (ii) all statutory provisions and requirements for the benefit of Maker (including notice requirements), now or hereafter in force; and (iii) the right to interpose any counterclaim of any nature or description in any litigation in which Holder and Maker shall be adverse parties.

7. Maximum Payments. If, at any time, the rate or amount of interest or any other charge payable under this Note should exceed the maximum rate or amount permitted by applicable law, then for such time as such rate or amount would be excessive, its application shall be suspended and there shall be charged instead the maximum rate or amount permitted under such law, and any excess interest or other charge paid by any obligor or collected by Holder shall be refunded to such obligor or credited against the principal amount of this Note, at the election of Holder or as required by applicable law.

8. Notices. Any and all notices, elections or demands permitted or required to be given under this Note shall be in writing, signed by or on behalf of the party giving such notice, election or demand. Any such notice, election, demand, request or response shall be mailed, if given to Maker, to the address set forth below Maker's name at the end of this Note, and if given to Holder, to the address set forth in the beginning of this Note, or at such other address within the continental United States for either party as such party may designate by notice to the other given in accordance with the provisions of this paragraph.

9. Expenses and Collection Costs. Maker agrees to pay all filing fees and taxes in connection with this Note and all costs of collecting or attempting to collect any of the indebtedness evidenced by this Note, including, without limitation, court costs, litigation expenses and reasonable attorneys' fees actually incurred, and all accrued but unpaid interest thereon, if this Note is referred to an attorney for collection.

10. Miscellaneous. Any delay or failure of Holder to exercise or enforce any right or remedy hereunder shall not shall prejudice Holder's rights to enforce this Note or be construed as a waiver of the right to exercise the same or any other right or remedy at any time and from time to time thereafter. No waiver by Holder shall be effective unless made in writing by a duly authorized officer or agent of Holder. This Note shall inure to the benefit of Holder, its successors and assigns, and to any person to whom Holder may grant an interest in any of the indebtedness evidenced hereby, and shall be binding upon Maker and its successors and assigns. This Note shall be governed, construed and enforced

in accordance with the substantive laws of the State of New York, without regard to principles of conflict of laws. The headings of the paragraphs set forth in this Note are for convenience of reference only, and are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

11. Consent to Jurisdiction. Maker hereby consents to the jurisdiction of any state or federal court located in the State of New York, County of New York, and, to the extent permitted by applicable law, waives any objection based on venue or *forum non conveniens* with respect to any action instituted in any such court and agrees that process in any such action will be sufficient if served on Maker by certified mail, return receipt requested or in any manner provided by law. Notwithstanding the foregoing, Holder shall have the right to bring any action or proceeding against Maker or Maker's property in the courts of any other jurisdiction Holder deems necessary or appropriate in order to enforce the obligations of Maker under this Note.

12. Time of Essence. Time is of the essence of the payment and performance of this Note.

[Signature page follows.]

THE UNDERSIGNED, INTENDING TO BE LEGALLY BOUND, has executed this Promissory Note as of August __, 2016.

WITNESS AMIC
Holdings,
Inc
a Delaware
corporation

By:

Name: Name:

Title:

Address: 485 Madison Avenue
14th Floor
New York, NY 10022

EXHIBIT C

The information contained herein is of a confidential nature and is intended for the exclusive use of the persons or firm to whom it is furnished by us. Reproduction, publication, or dissemination of portions hereof may not be made without prior written consent of Duff & Phelps, LLC. Independence Holding Company Valuation Analysis of American Independence Corp. June 14, 2016 Confidential

2 Confidential Table of Contents 1. Executive Summary 2. AMIC Valuation Analysis Appendix: A. Present Value of Net Operating Loss Carryforward B. Stock Trading Analysis

Executive Summary 1.

4 Confidential Executive Summary Introduction and Transaction Overview The Engagement Duff & Phelps was engaged by Independence Holding Company (the “ Company ”) as an independent financial advisor to the Company to provide a valuation analysis (the “ Valuation Analysis ” as defined below) of the common stock of American Independence Corp . (“ AMIC ”) in connection with a proposed transaction (the “ Proposed Transaction ” as described below) . Proposed Transaction It is Duff & Phelps’ understanding that the Company (through its board of directors) has preliminarily determined to take the steps necessary to acquire the common stock of AMIC that it does not presently own in a “short - form” merger to be effectuated pursuant to 8 Del . C . § 253 in a transaction for which a Schedule 13 E - 3 transaction statement will be required (the “ Proposed Transaction ”) . Valuation Analysis In connection with the Proposed Transaction, Duff & Phelps will provide its independent view of the Fair Value of the common stock of AMIC (the “ Common Stock ”) as of a current date . For the purposes of this Engagement, Duff & Phelps defines Fair Value as that term is used under Delaware law in the context of a statutory appraisal action pursuant to Section 262 of the Delaware General Corporation Law . Duff & Phelps understands that the Fair Value of AMIC’s shares is derived from determining the value of the equity of AMIC as a going concern (and exclusive of any element of value arising from the accomplishment or expectation of the Proposed Transaction), and dividing that value by the fully - diluted number of shares of AMIC common stock (without consideration of any discounts from the value of AMIC that might otherwise be applicable to the individual shares of AMIC on account of any lack of liquidity, marketability or other factors that might cause the “fair market value” of a single share to be worth less than its proportionate share of value of AMIC as a going concern) .

5 Confidential Executive Summary Scope of Analysis Duff & Phelps has made such reviews, analyses and inquiries as we have deemed necessary and appropriate under the circumstances . Duff & Phelps' procedures, investigations, and financial analysis with respect to the preparation of this report included, but were not limited to, the items summarized below : 1. Reviewed the following documents : – AMIC's annual report on Form 10 - K filed with the SEC for the fiscal year ended December 31 , 2015 , including the audited financial statements included therein ; – AMIC's Form 8 - K/A filed with the SEC on June 13 , 2016 containing unaudited pro forma financial statements reflecting the sale of Risk Solutions and the 100 % coinsurance of stop - loss for the year ended December 31 , 2015 ; – AMIC's draft financial statements for the three months ended March 31 , 2016 ; – AMIC's statutory financial statements for the years ended December 31 , 2014 and December 31 , 2015 and three months ended March 31 , 2016 ; – AMIC's financial projections for the years 2016 through 2020 (the “ Management Projections ”) ; and – Other internal documents relating to the history, current operations, and probable future outlook of AMIC, provided to us by management of the Company and AMIC ; 2. Discussed the information referred to above and the background of the AMIC and other elements of the Proposed Transaction with the management of the Company ; 3. Reviewed the historical trading price and trading volume of publicly traded securities of certain other companies that Duff & Phelps deemed relevant ; 4. Performed certain valuation and comparative analyses using generally accepted valuation and analytical techniques, including a discounted cash flow analysis, an analysis of selected public companies that Duff & Phelps deemed relevant ; and 5. Conducted such other analyses and considered such other factors as Duff & Phelps deemed appropriate .

6 Confidential Executive Summary Valuation Methodologies Discounted cash flow (“ DCF ”) analysis – The DCF analysis determines the net present value of future free cash flows using a cost of equity capital for the discount rate . – Free cash flow is defined as cash generated by the business that is available to either reinvest or to distribute to security holders . – The discount rate is equivalent to the rate of return that security holders could expect to realize on alternative investment opportunities with similar risk profiles . Selected Public Companies Analysis – Analyzed financial performance and trading multiples of selected public companies in the industry in which AMIC operates . – Compared AMIC’s financial performance and other operating characteristics with those of the selected public companies . – Applied valuation multiples to AMIC’s financial performance to indicate AMIC’s equity value .

7 Confidential \$22.99 \$22.96 \$23.02 \$24.74 \$25.18 \$24.30 \$21.00 \$21.50 \$22.00 \$22.50 \$23.00 \$23.50 \$24.00
\$24.50 \$25.00 \$25.50 \$26.00 Concluded Per Share Price Range Selected Public Company Analysis Discounted Cash
Flow Analysis \$22.15 Current Stock Price as of June 9, 2016 \$8.77 Stock Price on January 5, 2016 Executive
Summary Valuation Conclusion \$8.00 \$9.00

8 Confidential Executive Summary Valuation Conclusion Equity Value Conclusions (\$ in millions, except per share values) Low Mid High Operating Equity Value Discounted Cash Flow Analysis \$39.5 \$43.5 \$48.0 Selected Public Companies Analysis 39.0 47.0 55.2 Operating Equity Value Conclusion \$39.3 \$45.3 \$51.6 Plus: Present Value of NOLs (1) 15.7 16.2 16.6 Adjusted Operating Equity Value Conclusion \$55.0 \$61.4 \$68.2 Plus: Cash Proceeds from Risk Solutions and Majestic 110.1 110.1 110.1 Plus: Estimated Value of Equity Interest in Pets Best (2) 0.5 1.1 1.6 Plus: Estimated Excess Capital at IAIC (3) 22.3 22.3 22.3 Less: Non-Operating Liabilities (4) (0.9) (0.9) (0.9) Aggregate Equity Value \$187.1 \$194.1 \$201.4 Diluted Shares Outstanding (000's) (5) 8,138.3 8,139.1 8,139.8 Resulting Per Share Price \$22.99 \$23.84 \$24.74 Implied Operating Equity Value Multiples Operating Equity Value / 2016 Operating Net Income \$2.8 13.9x 16.0x 18.3x Operating Equity Value / 2017 Operating Net Income \$3.4 11.6x 13.3x 15.2x Equity Value / Adjusted Book Value (Excl. AOCI, NCI, & Excess Capital) (6) \$82.7 0.47x 0.55x 0.62x Implied Aggregated Equity Value Multiple Aggregate Equity Value / 2016 Net Income \$5.3 35.0x 36.3x 37.7x Adjusted Equity Value / 2017 Net Income \$6.2 30.3x 31.4x 32.6x Aggregate Equity Value / Book Value (Excl. AOCI and NCI) \$215.2 0.87x 0.90x 0.94x (1) See Appendix A for details (2) Ranged from the book value of the investment and the estimated value per Company management (3) Excess surplus available for distribution to shareholders based upon a premium to surplus ratio of 2:1 at 3/31/2016 (4) Includes \$0.9 million of contingent consideration for the GAF (AIS/Caprock) acquisition (5) Based on shares outstanding as of 3/31/2016 of 8,101,883 and 57,780 of in the money options outstanding (current weighted average strike price of \$8.49 and a stock price as calculated above.) (6) Excludes net cash proceeds of \$110.1 million from the Majestic and Risk Solutions transactions, \$22.3 million of excess capital, and non-controlling interests

AMIC Valuation Analysis 2.

10 Confidential AMIC Valuation Analysis Historical and Forecasted Financial Summary Performance Metrics (\$ in millions) YTD 2014A 2015A 3/31/2016 2016P 2017P 2018P 2019P 2020P IAIC Premiums (1) \$80.3 \$79.6 \$21.1 \$85.4 \$80.9 \$81.6 \$84.7 \$88.1 Growth NA -0.9% NA 7.3% -5.3% 0.8% 3.9% 3.9% Marketing Services and Brokerage Revenue \$14.7 \$14.0 \$5.5 \$24.3 \$25.8 \$27.8 \$29.5 \$31.7 Growth NA -5.1% NA 74.0% 5.9% 7.8% 6.2% 7.3% Net Investment Income \$1.0 \$1.1 \$0.5 \$2.0 \$2.1 \$2.1 \$2.2 \$2.2 Growth NA 2.6% NA 89.6% 2.0% 2.0% 2.0% 2.0% Other Income \$0.1 \$0.8 \$0.1 \$0.1 \$0.1 \$0.1 \$0.1 \$0.1 Growth NA 762.3% NA -88.4% 0.0% 0.0% 0.0% 0.0% Revenue from Operations (2) \$96.2 \$95.5 \$27.2 \$111.9 \$108.9 \$111.6 \$116.5 \$122.0 Growth NA -0.7% NA 17.1% -2.7% 2.5% 4.4% 4.8% Operating Expenses (3) 98.2 95.9 27.5 107.0 103.1 104.2 108.2 112.3 as % of Revenue from Operations (2) 102.0% 100.4% 101.2% 95.6% 94.7% 93.4% 92.9% 92.0% Growth NA -2.3% NA 11.6% -3.6% 1.1% 3.8% 3.8% Operating Income (2) (3) (2.0) (0.4) (0.3) 4.9 5.8 7.4 8.3 9.7 Margin (2) (3) -2.0% -0.4% -1.2% 4.4% 5.3% 6.6% 7.1% 8.0% (1) Decline in premiums from 2016 to 2018 primarily attributable to a decline in pet premiums due to a termination of the Pet's Best distribution agreement (2) Excludes realized gains and losses on investments (3) Includes allocations to loss reserve Source: Company management Note: Pro forma for sale of Risk Solutions and 100% coinsurance of stop-loss; includes public company costs and excludes investment income on the net proceeds of the Majestic, Risk Solution, and coninsurance transactions

11 Confidential AMIC Valuation Analysis Discounted Cash Flow Analysis Duff & Phelps utilized and relied upon the Management Projections through 2020 as well as discussions with the Company's and AMIC's management, a review of AMIC's historical performance and other factors to develop the DCF analysis . Duff & Phelps estimated AMIC's "terminal value" in 2020 using a perpetuity growth formula assuming a 4 . 0 % terminal growth rate . Duff & Phelps discounted the resulting free cash flows and terminal value using a cost of equity capital ranging from 13 . 25 % to 15 . 25 % . The following is a summary of the assumptions and forecasts utilized in the DCF analysis : – AMIC's revenue is projected to increase at a compound annual growth rate (" CAGR ") of 4 . 9 % over the five - year period ending 2020 . – Operating Income is projected to average approximately \$ 6 . 7 million over the four - year period from 2016 to 2020 . – Capital expenditures average 0 . 2 % of revenue over the five - year period ending 2020 . – A corporate tax rate of 35 . 4 % has been utilized in the DCF analysis per the Management Projections . – A normalized premium/surplus ratio of 2 : 1 . The present value of net operating loss carryforward tax benefits were separately valued and added to equity value .

12 Confidential AMIC Valuation Analysis Discounted Cash Flow Analysis Discounted Cash Flow Analysis (\$ in millions) 2015 2016 2017 2018 2019 2020 5-Yr. CAGR Revenue from Operations (1) \$95.5 \$111.3 \$108.3 \$111.0 \$116.0 \$121.5 4.9% Growth (0.7%) 16.6% (2.7%) 2.5% 4.5% 4.8% Operating Income (1) (0.4) 4.4 5.3 6.8 7.8 9.1 EBITDA Margin (0.4%) 3.9% 4.8% 6.1% 6.7% 7.5% Growth NM NM 20.3% 29.8% 13.8% 17.9% 4/1-12/31/16 (2) Terminal Year Operating Income \$4.7 \$5.3 \$6.8 \$7.8 \$9.1 \$9.1 Pro Forma Taxes @ 35.4% (1.5) (1.9) (2.4) (2.7) (3.2) (3.2) Net Income \$3.2 \$3.4 \$4.4 \$5.0 \$5.9 \$5.9 Depreciation \$0.2 \$0.2 \$0.2 \$0.2 \$0.2 \$0.2 Capital Expenditures (0.2) (0.3) (0.3) (0.3) (0.3) (0.3) (Increase) Decrease in Working Capital (3) 0.8 0.1 0.1 0.1 0.2 0.2 Capital & Surplus Reinvestment (1.9) 2.2 (0.3) (1.6) (1.7) (1.3) Free Cash Flow \$2.0 \$5.7 \$4.2 \$3.5 \$4.4 \$4.8 Terminal Growth Rate 4.00% 4.00% 4.00% Cost of Equity 15.25% 14.25% 13.25% Concluded Operating Equity Value Range (Rounded) \$39.5 \$43.5 \$48.0 Implied Equity Value Multiples Equity Value / 2016 Net Income \$2.8 14.0x 15.4x 17.0x Equity Value / 2017 Net Income \$3.4 11.6x 12.8x 14.1x Adjusted Book Value of Equity (Excluding AOCI, NCI & Excess Capital) (4) \$82.7 0.48x 0.53x 0.58x (2) Q1 2016 operating income excluding realized gains was -\$0.3 million (3) Based on performance of marketing and brokerage businesses (4) Excludes net cash proceeds of \$110.1 million from the Majestic, Risk Solutions, and coinsurance transactions, \$22.3 million of excess capital and non-controlling interests (1) Excludes realized gains and losses on investments and investment income generated by \$110.1 million of net cash proceeds from the Majestic, Risk Solutions and coinsurance transactions and \$22.3 million of excess capital Note: Pro forma for sale of Risk Solutions and 100% coinsurance of stop-loss; includes public company costs and excludes investment income on the net proceeds of the Majestic, Risk Solution, and coinsurance transactions

13 Confidential AMIC Valuation Analysis Selected Public Companies Analysis Selected Public Companies Analysis – Duff & Phelps reviewed the current trading multiples of eight publicly traded companies in the healthcare insurance industry that it deemed relevant to its analysis . – Duff & Phelps analyzed the LTM and projected earnings, return on equity and revenue for each of the publicly traded companies . – Duff & Phelps analyzed the selected public companies’ trading multiples of equity value to their respective earnings and book values . Duff & Phelps analyzed a number of factors in comparing AMIC to the selected public companies including historical and forecasted growth in revenue and profits, profit margins and other characteristics that it deemed relevant . None of the companies utilized for comparative purposes in the following analysis are directly comparable to AMIC . Duff & Phelps does not have access to nonpublic information related to any of the companies used for comparative purposes . Valuation analysis involves complex considerations and judgments concerning differences in financial and operating characteristics of companies, and knowledge of non - public information concerning the companies that we have selected as comparable to AMIC .

14 Confidential AMIC Valuation Analysis Selected Public Companies Analysis Financial Metrics Selected Public Company Analysis Company Information Financial Growth Operating Metrics Valuation Multiples Company Name
 3-YR Revenue CAGR LTM Revenue Growth LTM EPS Growth Projected 2016 EPS Growth Projected 2017 EPS
 Growth 3-Yr Avg. ROE LTM ROE Projected 2016 ROE Projected 2017 ROE Aetna Inc. NM 3.1% 9.9% 4.2% 10.1%
 14.9% 14.8% 16.3% 16.2% Anthem, Inc. NM 7.1 -8.3 7.5 9.8 10.5 10.3 11.7 11.9 Cigna Corp. 9.1% 6.7 0.8 7.0 8.1
 17.5 17.5 17.5 16.2 Humana Inc. 12.3 7.7 -8.1 4.9 12.5 12.5 10.5 11.8 12.4 Independence Holding Co. 10.4 -0.2 85.9
 NA NA 6.9 9.8 NA NA Molina Healthcare, Inc. NM 42.5 40.2 6.2 31.4 7.9 9.5 8.6 10.6 UnitedHealth Group
 Incorporated NM NM NM NM 13.3 NM NM 19.3 19.0 WellCare Health Plans, Inc. 23.3 3.9 270.2 73.4 21.4 7.9 8.1
 11.0 12.0 Mean 13.8% 10.1% 55.8% 17.2% 15.3% 11.2% 11.5% 13.7% 14.0% Median 11.4% 6.7% 9.9% 6.6%
 12.5% 10.5% 10.3% 11.8% 12.4% AMIC NA NA NA NM 20.3% NA NA 3.2% 3.8% LTM = Latest Twelve Months
 Note: Anthem Inc. announced intentions to acquire Cigna Corp on 6/20/2015 Note: Aetna Inc. announced intentions
 to acquire Humana Inc. on 7/3/2015 Source: Bloomberg, Capital IQ, SNL Financial, SEC filings

15 Confidential AMIC Valuation Analysis Selected Public Companies Analysis Valuation Multiples Selected Public Company Analysis Company Information Valuation Multiples Company Name Stock Price as of 6/9/2016 % of 52-Wk High Market Cap P / 3yr Avg. Earnings Per Share P / LTM EPS P / 2016E EPS P / 2017E EPS Price / BVPS

Aetna Inc. \$121.27 91.5% \$42,517 20.5x 18.3x 15.1x 13.7x 2.53x Anthem, Inc. \$133.75 78.2 35,170 14.9 15.1 12.2 11.1 1.49 Cigna Corp. \$129.25 76.1 33,154 18.4 16.2 13.9 12.9 2.62 Humana Inc. \$188.35 87.8 28,071 24.0 26.3 21.3 18.9 2.67 Independence Holding Co. \$17.10 99.0 295 15.1 10.0 NA NA 0.91 Molina Healthcare, Inc. \$51.87 63.6 2,935 NM 21.3 18.9 14.4 1.86 UnitedHealth Group Incorporated \$140.68 100.0 133,759 NM NM 17.9 15.8 3.82 WellCare Health Plans, Inc. \$105.50 100.0 4,669 39.1 33.9 22.8 18.8 2.64 Mean 87.0% \$35,071 22.0x 20.1x 17.4x 15.1x 2.32x Median 89.6% \$30,613 19.4x 18.3x 17.9x 14.4x 2.57x \$ in USD millions except per share data LTM = Latest Twelve Months Note: Anthem Inc. announced intentions to acquire Cigna Corp on 6/20/2015 Note: Aetna Inc. announced intentions to acquire Humana Inc. on 7/3/2015 Source: Bloomberg, Capital IQ, SNL Financial, SEC filings Market Data

16 Confidential AMIC Valuation Analysis Selected Public Companies Analysis Regression Analysis - AMIC Consolidated Implied Market/Book Multiple Note: Humana, Independence Holding and WellCare Health Plans are not included in the regression. $y = 0.1717x - 0.0578$ $R^2 = 0.7211$ 0.00x 0.50x 1.00x 1.50x 2.00x 2.50x 3.00x 3.50x 4.00x 4.50x 0.0 5.0 10.0 15.0 20.0 25.0 Market to Book Ratio Return on Equity (%) Projected 2016 ROE and Market/Book 0.49x $y = 0.2379x - 1.0541$ $R^2 = 0.8535$ -1.00x -0.50x 0.00x 0.50x 1.00x 1.50x 2.00x 2.50x 3.00x 3.50x 4.00x 4.50x 0.0 2.0 4.0 6.0 8.0 10.0 12.0 14.0 16.0 18.0 20.0 Market to Book Ratio Return on Equity (%) Projected 2017 ROE and Market/Book NM

17 Confidential AMIC Valuation Analysis Selected Public Companies Analysis Selected Public Companies Analysis (\$ in millions) Equity Valuation Multiples Valuation Summary Metric Public Company Median Company Performance Equity Value Range Equity Value / 2017 Net Income 11.1x - 18.9x 14.4x 9.5x - 12.5x \$3.4 \$32.2 - \$42.4 Equity Value / Adjusted Book Value (Excl. AOCI, NCI, & Excess Capital) (1) 0.91x - 3.82x 2.57x 0.40x - 0.60x \$82.7 \$33.1 - \$49.6 Preliminary Operating Equity Value Range \$32.5 - \$46.0 Add: Assumed Premium @ 20.0% to Back Out "Inherent Minority Discount" (2) \$6.5 - \$9.2 Concluded Operating Equity Value Range \$39.0 - \$55.2 Implied Equity Value Multiples Equity Value / 2016 Net Income 12.2x - 22.8x 17.9x \$2.8 11.5x - 16.3x (1) Excludes net cash proceeds of \$110.8 million from the Majestic and Risk Solutions transactions, \$23.6 million of excess capital, and non-controlling interests Public Company Range (2) Duff & Phelps does not believe that the relevant finance literature supports the addition of a premium in these circumstances, but we note that certain Delaware cases have suggested that inclusion of such a premium may be appropriate when conducting a comparable companies analysis. Selected Multiples Range Note: Net income excludes investment income earned on \$110.1 million of net cash proceeds from the Majestic, Risk Solutions, and coinsurance transactions and \$22.3 million of excess capital

18 Confidential AMIC Valuation Analysis Valuation Conclusion Equity Value Conclusions (\$ in millions, except per share values) Low Mid High Operating Equity Value Discounted Cash Flow Analysis \$39.5 \$43.5 \$48.0 Selected Public Companies Analysis 39.0 47.0 55.2 Operating Equity Value Conclusion \$39.3 \$45.3 \$51.6 Plus: Present Value of NOLs (1) 15.7 16.2 16.6 Adjusted Operating Equity Value Conclusion \$55.0 \$61.4 \$68.2 Plus: Cash Proceeds from Risk Solutions and Majestic 110.1 110.1 110.1 Plus: Estimated Value of Equity Interest in Pets Best (2) 0.5 1.1 1.6 Plus: Estimated Excess Capital at IAIC (3) 22.3 22.3 22.3 Less: Non-Operating Liabilities (4) (0.9) (0.9) (0.9) Aggregate Equity Value \$187.1 \$194.1 \$201.4 Diluted Shares Outstanding (000's) (5) 8,138.3 8,139.1 8,139.8 Resulting Per Share Price \$22.99 \$23.84 \$24.74 Implied Operating Equity Value Multiples Operating Equity Value / 2016 Operating Net Income \$2.8 13.9x 16.0x 18.3x Operating Equity Value / 2017 Operating Net Income \$3.4 11.6x 13.3x 15.2x Equity Value / Adjusted Book Value (Excl. AOCI, NCI, & Excess Capital) (6) \$82.7 0.47x 0.55x 0.62x Implied Aggregated Equity Value Multiple Aggregate Equity Value / 2016 Net Income \$5.3 35.0x 36.3x 37.7x Adjusted Equity Value / 2017 Net Income \$6.2 30.3x 31.4x 32.6x Aggregate Equity Value / Book Value (Excl. AOCI and NCI) \$215.2 0.87x 0.90x 0.94x (1) See Appendix A for details (2) Ranged from the book value of the investment and the estimated value per Company management (3) Excess surplus available for distribution to shareholders based upon a premium to surplus ratio of 2:1 at 3/31/2016 (4) Includes \$0.9 million of contingent consideration for the GAF (AIS/Caprock) acquisition (5) Based on shares outstanding as of 3/31/2016 of 8,101,883 and 57,780 of in the money options outstanding (current weighted average strike price of \$8.49 and a stock price as calculated above.) (6) Excludes net cash proceeds of \$110.1 million from the Majestic and Risk Solutions transactions, \$22.3 million of excess capital, and non-controlling interests

19 Confidential Statement of Limiting Conditions Duff & Phelps took into account its assessment of general economic, market, industry and financial conditions, as well as its experience in securities and business valuation . Duff & Phelps did not make any independent evaluation, appraisal or physical inspection of the Company's solvency or of any specific assets or liabilities (contingent or otherwise) . This report should not be construed as a fairness opinion, solvency opinion, credit rating, an analysis of the Company's credit worthiness or otherwise as tax, legal or accounting advice . In performing its analysis and completing this report, Duff & Phelps (i) relied upon the accuracy, completeness, and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to it from private sources, including management , and did not attempt to independently verify the accuracy, completeness, or fairness of such information, and (ii) assumed that any estimates, evaluations and projections furnished to Duff & Phelps were reasonably prepared and based upon the last currently available information and good faith judgment of the person furnishing the same . Duff & Phelps assumes that information supplied and representations made by management are substantially accurate regarding the Company . In our analysis and in connection with the preparation of this report, Duff & Phelps has relied on and made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters . To the extent that any of the foregoing assumptions or any of the facts on which the valuation is based proves to be untrue in any material respect, this report and the valuation cannot and should not be relied upon . The valuation is necessarily based upon economic, market, industry, financial and other conditions as they exist and can be evaluated as of the date of this report . This report should not be construed as creating any fiduciary duty on Duff & Phelps' part to any party . This report may not be relied on by or disclosed to any third - party without the prior written consent of Duff & Phelps (other than the Company and its professional advisors) .

Present Value of Net Operating Loss Carryforward Appendix A.

21 Confidential Appendix A Present Value of Net Operating Loss Carryforward Present Value of NOLs (\$ in millions) 2016P 2017P 2018P 2019P 2020P 2021P 2022P NOL Opening Balance \$144.2 \$135.8 \$126.3 \$115.2 \$103.1 \$42.7 \$1.4 Increase / (Decrease) (8.4) (9.4) (11.1) (12.2) (13.7) (14.2) (1.4) Expiration 0.0 0.0 0.0 0.0 (46.7) (27.1) 0.0 NOL Ending Balance \$135.8 \$126.3 \$115.2 \$103.1 \$42.7 \$1.4 \$0.0 2016P 2017P 2018P 2019P 2020P 2021P 2022P Operating Income \$4.4 \$5.3 \$6.8 \$7.8 \$9.1 \$9.5 \$9.9 Plus: Investment Income on Excess Capital \$0.5 \$0.5 \$0.6 \$0.6 \$0.6 \$0.6 Plus: Investment Income on RS Proceeds 3.5 3.6 3.7 3.9 4.0 4.1 4.2 Taxable Income \$8.4 \$9.4 \$11.1 \$12.2 \$13.7 \$14.2 \$14.7 NOL Use / (Increase) \$8.4 \$9.4 \$11.1 \$12.2 \$13.7 \$14.2 \$1.4 Taxable Income After NOL Usage \$0.0 \$0.0 \$0.0 \$0.0 \$0.0 \$0.0 \$13.3 Taxes Paid without NOL 35.4% \$3.0 \$3.3 \$3.9 \$4.3 \$4.8 \$5.0 \$5.2 Taxes Paid with NOL 0.0 0.0 0.0 0.0 0.0 0.0 4.7 Tax Savings with NOL \$3.0 \$3.3 \$3.9 \$4.3 \$4.8 \$5.0 \$0.5 Discount Rate 15.25% 14.25% 13.25% Present Value of Federal NOLs \$15.7 \$16.2 \$16.6

Stock Trading Analysis Appendix B.

23 Confidential Appendix B Stock Trading Analysis American Independence Corp. – Trading History June 1, 2015 to June 9, 2016 Source: Capital IQ American Independence Corp. - Key Financials (in millions) For the Fiscal Period Ending 12 months Dec. 31, 2012A 12 months Dec. 31, 2013A 12 months Dec. 31, 2014A 12 months Dec. 31, 2015A
 Total Revenue \$101.9 \$153.3 \$164.9 \$183.3 Growth Over Prior Year 50.4% 7.6% 11.2% Gross Profit \$45.0 \$66.2 \$76.0 \$84.5 Margin % 44.2% 43.2% 46.1% 46.1% EBITDA \$7.2 \$7.3 \$6.2 \$8.1 Margin % 7.0% 4.7% 3.8% 4.4% EBIT \$6.7 \$5.4 \$4.5 \$6.5 Margin % 6.5% 3.5% 2.8% 3.6% Net Income \$9.6 \$2.9 \$5.3 \$3.5 Margin % 9.4% 1.9% 3.2% 1.9% Diluted EPS Excl. Extra Items \$1.16 \$0.36 \$0.65 \$0.44 American Independence Corp. - Common Stock Overview American Independence Corp. - Historical Daily Trading Volume (In thousands) Stock Price as of June 9, 2016 22.15 One-Week Average 2 Two-Week Average 2 One-Month Average 2 % of Shares Outstanding 0.0% % of Shares Outstanding 0.0% % of Shares Outstanding 0.0% 52-Week Average Closing Price \$16.60 % of Float 0.0% % of Float 0.3% % of Float 0.3% 52-Week High Closing Price (4/22/2016) 22.48 52-Week Low Closing Price (1/4/2016) 8.50 Two-Month Average 2 Six-Month Average 4 One-Year Average 3 % of Shares Outstanding 0.0% % of Shares Outstanding 0.0% % of Shares Outstanding 0.0% 104-Week Average Closing Price \$13.65 % of Float 0.4% % of Float 0.7% % of Float 0.5% 104-Week High Closing Price (4/22/2016) 22.48 104-Week Low Closing Price (1/4/2016) 8.50 Two-Year Average 3 % of Shares Outstanding 0.0% % of Float 0.5% Shares Outstanding 8,119 Float 590 Public Float % 7.3% 0 10 20 30 40 50 60 70 \$0.00 \$5.00 \$10.00 \$15.00 \$20.00 \$25.00 Volume (Thousands) Share Price Volume Price

EXHIBIT D

FORM OF CONTRIBUTION AGREEMENT

This Contribution Agreement (the “**Agreement**”), dated as of August __, 2016, is entered into by and among Independence Holding Company, a Delaware corporation (“**IHC**”), Madison Investors Corporation, a Delaware corporation (“**MIC**”), and AMIC Holdings, Inc., a Delaware corporation (“**Acquisition Co.**”).

Recitals

IHC owns 2,800,795 shares (“**IHC Shares**”) of common stock, par value \$.01 per share (“**AMIC Common Stock**”), of A. American Independence Corp., a Delaware corporation (“**AMIC**”), representing 34.5% of the outstanding shares of AMIC Common Stock.

B. MIC owns 4,622,356 shares (“**MIC Shares**”) of AMIC Common Stock, representing 56.93% of the outstanding shares of AMIC Common Stock.

IHC wishes to contribute the IHC Shares to Acquisition Co. in exchange for 377 shares of common stock, par value C. \$.001 per share (“**Holdings Common Stock**”), of Acquisition Co., representing 37.7% of the outstanding shares of Holdings Common Stock, in accordance with the terms and subject to the conditions specified in this Agreement.

MIC wishes to contribute the MIC Shares to Acquisition Co. in exchange for 623 shares of Holdings Common D. Stock, representing 62.3% of the outstanding shares of Holdings Common Stock, in accordance with the terms and subject to the conditions specified in this Agreement.

Terms and Conditions

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement, intending to be legally bound, hereby agree as follows:

1. IHC Contribution. IHC hereby contributes, sells, assigns, transfers, conveys and delivers to Acquisition Co., and Acquisition Co. hereby accepts, all IHC's rights, title and interest in and to the IHC Shares, pursuant to the terms and conditions set forth in this Agreement. In consideration of the contribution by IHC of the IHC Shares, Acquisition Co. hereby issues and delivers to IHC 377 shares of Holdings Common Stock and shall record such issuance on the shareholder records of Acquisition Co. contemporaneous with the consummation of this Agreement.

2. MIC Contribution. MIC hereby contributes, sells, assigns, transfers, conveys and delivers to Acquisition Co., and Acquisition Co. hereby accepts, all MIC's rights, title and interest in and to the MIC Shares, pursuant to the terms and conditions set forth in this Agreement. In consideration of the contribution by MIC of the MIC Shares, Acquisition Co. hereby issues and delivers to MIC 623 shares of Holdings Common Stock and shall record such issuance on the shareholder records of Acquisition Co. contemporaneous with the consummation of this Agreement.

3. Effectiveness. The transactions contemplated by this Agreement shall be effective as of the date first written above.
4. Mutual Representations and Warranties. Each of the parties hereto hereby represent and warrant to the other parties hereto that:
- (a) Organization and Good Standing. Such party is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation.
- (b) Authorization; Enforceability. Such party has full power and authority to enter into this Agreement and consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate action, and when executed and delivered by such party, shall constitute a valid, legal and binding obligation of such party, enforceable against such party in accordance with its terms.
- (c) Consents and Filings. No consent, approval, order or authorization of, filing with, notice to or other act by, or in respect of, any person or entity is required in order for such party to execute, deliver or perform any of its obligations under this Agreement. The execution and consummation of the transactions contemplated hereby do not and will not violate any law or order applicable to such party.
5. Headings. The headings contained in this Agreement have been inserted for convenience of reference only and do not limit or otherwise affect construction or interpretation of any term or provision hereof.
6. Further Assurances. Each of IHC, AMIC and Acquisition Co. agrees to execute and deliver any and all documents and instruments, and to perform such other acts as may be reasonably necessary or expedient to further the purposes of this Agreement and the contribution contemplated by this Agreement. Without limiting the foregoing, each of IHC and MIC shall take such further actions and execute such additional documents and instruments as necessary or desirable to affect the transfer of the IHC Shares and MIC Shares, respectively, to Acquisition Co.
7. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

8. Entire Agreement. This Agreement contains the entire agreement of the parties hereto with respect to its subject matter, and supersedes all other prior agreements and undertakings, both written and oral, among the parties hereto, or any of them, with respect to its subject matter.

9. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which together shall constitute one and the same instrument binding on all the parties hereto.

10. Governing Law. This Agreement and all transactions contemplated hereby shall be governed by, construed and enforced in accordance with the laws of the State of Delaware, without regard to the principles of conflict of law.

11. Severability. If any provision of this Agreement, or the application thereof, is for any reason held to any extent to be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons or circumstances will be interpreted so as reasonably to affect the intent of the parties hereto. The parties hereto further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business, and other purposes of the void or unenforceable provision, and to execute any amendment, consent or agreement deemed necessary or desirable by the parties hereto to effect such replacement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**Independence
Holding
Company**

By:
Name:
Title:

**Madison
Investors
Corporation**

By:
Name:
Title:

**AMIC
Holdings,
Inc.**

By:
Name:
Title:

EXHIBIT F-1

SECTION 262 OF THE DELAWARE GENERAL CORPORATION LAW

(PRE-AMENDMENT)

Note: Section 262 of the Delaware General Corporation Law, as set for the below, will be amended effective on August 1, 2016. See the post-amendment version of Section 262 of the Delaware General Corporation Law on the pages that follow.

Appraisal Rights. (a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to §228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to §251 (other than a merger effected pursuant to §251(g) of this title and, subject to paragraph (b)(3) of this section, §251(h) of this title), §252, §254, §255, §256, §257, §258, §263 or §264 of this title:

Provided, however, that, except as expressly provided in § 363(b) of this title, no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of the meeting of stockholders to act a. upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in §251(f) of this title.

b. Notwithstanding paragraph (b)(1) of this section, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an

agreement of merger or consolidation pursuant to §§251, 252, 254, 255, 256, 257, 258, 263 and 264 of this title to accept for such stock anything except:

- i. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

- Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or
- ii. depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders;
 - iii. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a. and b. of this section; or
 - iv. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a., b. and c. of this section

In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under §251(h), §253 or c. §267 of this title is not owned by the parent immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

In the event of an amendment to a corporation's certificate of incorporation contemplated by § 363(a) of this title, appraisal rights shall be available as contemplated by § 363(b) of this title, and the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as practicable, with the word "amendment" substituted for the words "merger or consolidation," and the word "corporation" substituted for the words "constituent corporation" and/or "surviving or resulting corporation."

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting (or such members who received notice in accordance with §255(c) of this title) with respect to shares for which appraisal rights are available pursuant to subsections (b) or (c) of this section that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of §114 of this title. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be

sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

If the merger or consolidation was approved pursuant to §228, §251(h), §253, or §267 of this title, then either a constituent corporation before the effective date of the merger or consolidation or the surviving or resulting corporation within 10 days thereafter shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of §114 of this title. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice or, in the case of a merger approved pursuant to § 251(h) of this title, within the later of the consummation of the tender or exchange offer contemplated by § 251(h) of this title and 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before (2) the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice or, in the case of a merger approved pursuant to § 251(h) of this title, later than the later of the consummation of the tender or exchange offer contemplated by § 251(h) of this title and 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) of this section hereof and who is otherwise entitled to appraisal rights, may commence an appraisal proceeding by filing a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) of this section hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) of this section hereof, whichever is later. Notwithstanding subsection (a) of this section, a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the corporation the statement described in this subsection

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware, or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After the Court determines the stockholders entitled to an appraisal, the appraisal proceeding shall be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding the Court shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. Unless the Court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just; provided, however that this provision shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that

proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the merger or consolidation, as set forth in subsection (e) of this section.

(1) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

EXHIBIT F-2

SECTION 262 OF THE DELAWARE GENERAL CORPORATION LAW

Note: Section 262 of the Delaware General Corporation Law, as set for the below, will become effective on August 1, 2016.

§ 262. Appraisal rights

(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to § 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in 1 or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to § 251 (other than a merger effected pursuant to § 251(g) of this title and, subject to paragraph (b)(3) of this section, § 251(h) of this title), § 252, § 254, § 255, § 256, § 257, § 258, § 263 or § 264 of this title:

(1) Provided, however, that, except as expressly provided in § 363(b) of this title, no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in § 251(f) of this title.

(2) Notwithstanding paragraph (b)(1) of this section, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to §§ 251, 252, 254, 255, 256, 257, 258, 263 and 264 of this title to accept for such stock anything except:

- a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;
- b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders;
- c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a. and b. of this section; or
- d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a., b. and c. of this section.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under § 251(h), § 253 or § 267 of this title is not owned by the parent immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(4) In the event of an amendment to a corporation's certificate of incorporation contemplated by § 363(a) of this title, appraisal rights shall be available as contemplated by § 363(b) of this title, and the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as practicable, with the word "amendment" substituted for the words "merger or consolidation", and the word "corporation" substituted for the words "constituent corporation" and/or "surviving or resulting corporation".

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the ~~procedures~~ provisions of this section, including those set forth in subsections (d), ~~(e)~~ and ~~(ge)~~ of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting (or such members who received notice in accordance with § 255(c) of this title) with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) of this section that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to § 228, § 251(h), § 253, or § 267 of this title, then either a constituent corporation before the effective date of the merger or consolidation or the surviving or resulting corporation within 10 days thereafter shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice or, in the case of a merger approved pursuant to § 251(h) of this title, within the later of the consummation of the ~~tender or exchange~~ offer contemplated by § 251(h) of this title and 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice or, in the case of a merger approved pursuant to § 251(h) of this title, later than the later of the consummation of the ~~tender or exchange~~ offer contemplated by § 251(h) of this title and 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) of this section hereof and who is otherwise entitled to appraisal rights, may commence an appraisal proceeding by filing a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) of this section hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) of this section hereof, whichever is later. Notwithstanding subsection (a) of this section, a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the corporation the statement described in this subsection.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder. If immediately before the merger or consolidation the shares of the class or series of stock of the constituent corporation as to which appraisal rights are available were listed on a national securities exchange, the Court shall dismiss the proceedings as to all holders of such shares who are otherwise entitled to appraisal rights unless (1) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of the class or series eligible for appraisal, (2) the value of the consideration provided in the merger or consolidation for such total number of shares exceeds \$1 million, or (3) the merger was approved pursuant to § 253 or § 267 of this title.

(h) After the Court determines the stockholders entitled to an appraisal, the appraisal proceeding shall be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding the Court shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. Unless the Court in its discretion determines otherwise for good cause shown, and except as provided in this subsection, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. At any time before the entry of judgment in the proceedings, the surviving corporation may pay to each stockholder entitled to appraisal an amount in cash, in which case interest shall accrue thereafter as provided herein only upon the sum of (1) the difference, if any, between the amount so paid and the fair value of the shares as determined by the Court, and (2) interest theretofore accrued, unless paid at that time. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just; provided, however that this provision shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the merger or consolidation, as set forth in subsection (e) of this section.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.