

IHC Stock Ownership Plan

2010 Producer Program

Still Going Strong!

Now in its fifth year, the IHC Stock Ownership Plan rewards you with shares of stock in Independence Holding Company (NYSE: IHC) based on your sales of qualifying IHC Group products.

The IHC Stock Ownership Plan is one more way we demonstrate our commitment to your success. Despite the ups and downs of the market, we believe in the value of this incentive opportunity that rewards you with actual shares of stock, not stock options.

When you reach \$35,000 in combined, annualized and commissionable premium for qualifying products, you earn five shares. After that, you will earn one share for every \$5,000 in issued commissionable premium.

Premium	Award
\$35,000	Five shares
Every \$5,000 in commissionable premium in excess of \$35,000	One share

Qualification Period

January 1 through December 31, 2010.

Qualifying Insurance Products

Individuals and Families

Major Medical
Limited Benefit Medical
(*Defined Solutions*)
Short-Term Medical
Life
(*IHC Group carrier only*)

Employer Groups

Small Group Employer
Major Medical
Limited Benefit Medical
(*Standard Security*)
Dental and Vision
Life
Disability

Calculating Annualized Premium

Determine the first month's commissionable premium at time of issue and multiply that amount by 12.

The IHC Group is an organization of insurance carriers, managing general underwriters, third-party administrators and marketing affiliates that has been providing life, health, disability, dental, vision and medical stop-loss insurance solutions to groups and individuals for over 25 years. Each insurance carrier in The IHC Group has a financial strength rating of "A-" (Excellent) from A.M. Best Company, Inc. Collectively, the companies in The IHC Group provide insurance coverage to more than one million individuals and groups. **For more information about The IHC Group, visit www.ihcgroup.com.**

The value of a share fluctuates over time. Past performance is not a guarantee of future results. If production requirements are not met or the producer's contract is terminated, all awards will be forfeited. The participating producer must remain in good standing with IHC. Any stock awards in connection with this program cannot be gifted. IHC reserves the right at any time to modify, amend, suspend or terminate this program. IHC reserves the right to determine who is an eligible producer for the purposes of the 2010 IHC Stock Ownership Plan. IHC recommends participants consult with their tax adviser to understand any tax matters associated with stock awards.

Double Credit

For dental, life and disability sales, multiply the annualized, commissionable premium by two to determine the qualifying premium.

Important Guidelines

- To be awarded shares, producers must contract with at least one member company in The IHC Group, and must be in good standing at the end of the qualification period.
- Split cases will count toward the first agent listed on the application for insurance.
- Premium is counted in the month the case is issued.
- Premium for cases cancelled back to the effective date will not be counted.
- The maximum number of shares that can be earned per qualifier in 2010 is 400.

