AMERICAN INDEPENDENCE CORP
Form SC 13E3/A
July 29, 2016

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13E-3

(Amendment No. 3)

RULE 13E-3 TRANSACTION STATEMENT

(Pursuant to Section 13(e) of the Securities Exchange Act of 1934)

American Independence Corp.

(Name of the Issuer)

AMIC Holdings, Inc.

Independence Holding Company

Madison Investors Corporation

(Name of Person(s) Filing Statement)

Common Stock, $0.01 par value per share

(Title of Class of Securities)

026760 40 5

(CUSIP Number of Class of Securities)

Teresa A. Herbert

AMIC Holdings, Inc.

Independence Holding Company

Madison Investors Corporation

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Stamford, CT 06902

(203) 358-8000

(Name, Address and Telephone Number of Persons Authorized to Receive Notices

and Communications on Behalf of Persons Filing Statement)

Copies to:

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THIS TRANSACTION, PASSED ON THE MERITS OR THE FAIRNESS OF THE TRANSACTION OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This statement is filed in connection with (check the appropriate box):

a. ¨ The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14-C or Rule 13e-3(c) under the Securities Exchange Act of 1934 (the "Act").

b. ¨ The filing of a registration statement under the Securities Act of 1933.

c. ¨ A tender offer.

d. x None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies: ¨

Check the following box if the filing is a final amendment reporting the results of the transaction: ¨

Calculation of Filing Fee

Transaction Valuation*	Amount of Filing Fee**
$17,848,421	$1,797.34

* For purposes of calculating the filing fee only, the transaction value was determined based upon the sum of (A) 695,400 outstanding shares of the issuer's common stock multiplied by the stock merger price of $24.74 per share; and (B) 41,112 outstanding options to purchase shares of the issuer's common stock multiplied by $15.67 per share (which is the difference between the $24.74 per share stock merger price and the $9.07 weighted average exercise price per share of the options).

** The amount of the filing fee is calculated in accordance with Rule 0-11 under the Exchange Act as the product of 17,848,421 and 0.0001007.

x Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) under the Act and identify the filing with 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.

Amount Previously Paid: $1,797.34	Filing Party: Independence Holding Company
Form or Registration No.: Schedule 13E-3	Date Filed: June 28, 2016

SUMMARY TERM SHEET

The following summary term sheet provides an overview of the "going private" merger transaction involving American Independence Corp. ("AMIC") and AMIC Holdings, Inc. ("Acquisition Co."), which will be effected by way of a statutory "short-form" merger of AMIC with and into Acquisition Co. pursuant to the terms of Section 253 of the Delaware General Corporation Law (the "DGCL"). This summary does not contain all of the information that may be relevant to holders of shares of common stock of AMIC. For more detailed information regarding the effects of the merger, how the merger affects you, what your rights are with respect to the merger, and the position of the entities filing this Schedule 13E-3 on the fairness of the merger, you should carefully review the entire Schedule 13E-3.

Purpose of the Merger

Immediately prior to the mailing of this Transaction Statement on Schedule 13E-3 (this "Schedule 13E-3") to the public stockholders of AMIC, Independence Holding Company, a Delaware corporation ("IHC"), and Madison Investors Corporation, a Delaware corporation ("MIC" and together with IHC, the "IHC Entities"), will contribute their respective shares of common stock, par value $.01 per share, of AMIC ("AMIC Common Stock" or "Common Stock") to Acquisition Co., a newly created Delaware corporation, resulting in Acquisition Co. owning 91.43% in the aggregate of the outstanding shares of AMIC Common Stock. Following such contribution, the IHC Entities together will own all the outstanding shares of capital stock of Acquisition Co. The IHC Entities currently intend to cause Acquisition Co. to merge with AMIC, with Acquisition Co. continuing as the surviving corporation (the "Surviving Corporation"), as a means of acquiring for cash all of the shares of Common Stock not owned directly or indirectly by the IHC Entities, and providing a source of liquidity to the public stockholders of those shares of Common Stock, through a "short-form" merger under Section 253 of the DGCL. Immediately following the merger, the IHC Entities together will own 100% of the capital stock of the Surviving Corporation.

The Merger

The IHC Entities intend to cause Acquisition Co. to merge with AMIC in a "short form" merger pursuant to Section 253 of the DGCL, with Acquisition Co. continuing as the surviving corporation. Pursuant to Section 253 of the DGCL, Acquisition Co. may effect the merger without the approval of the Board of Directors of AMIC or the other stockholders of AMIC. THE BOARD OF DIRECTORS OF AMIC HAS NOT ACTED TO APPROVE OR DISAPPROVE THE MERGER, AND STOCKHOLDERS OF AMIC ARE NOT BEING ASKED TO APPROVE OR DISAPPROVE, OR FURNISH A PROXY IN CONNECTION WITH, THE MERGER.

The IHC Entities intend to cause Acquisition Co. to effect the merger on August 31, 2016, or as soon as practical thereafter. However, the IHC Entities are under no obligation to cause Acquisition Co. to consummate the merger and could decide to withdraw from the transaction at any time before it becomes effective.

See “Special Factors - Purposes, Alternatives, Reasons and Effects of the Merger – Purposes” on page 12.

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Stock Merger Price.

Upon the effectiveness of the merger, each share of Common Stock (i) not owned by Acquisition Co. and (ii) as to which appraisal rights are not properly exercised (as described in this Schedule 13E-3) will be cancelled and automatically converted into the right to receive $24.74 in cash, without interest (the "Stock Merger Price ").

See "Fairness of the Merger – Factors Considered in Determining Fairness – The Stock Merger Price " on page 19 and "Fairness of the Merger – Factors Considered in Determining Fairness – Appraisal Rights" on page 20.

AMIC Shares Outstanding; Ownership by the IHC Entities.

As of June 15, 2016, there were 8,118,551 shares of Common Stock outstanding. As of June 15, 2016, the IHC Entities owned 7,423,151 shares, representing 91.43% of the outstanding shares of Common Stock. Each of the IHC Entities intends to contribute the shares of Common Stock that it currently owns to Acquisition Co. immediately prior to the mailing of this Schedule 13E-3 to AMIC's public stockholders. In addition, as of June 15, 2016, AMIC had 1,063,242 shares of Common Stock held in treasury, which it plans to cancel.

As of June 15, 2016, AMIC had outstanding options to purchase 41,112 shares of Common Stock under its 2009 Stock Incentive Plan. In connection with the merger, Acquisition Co. will pay cash for the options (both vested and unvested) at the Stock Merger Price less the option exercise price.

See "Special Factors - Purposes, Alternatives, Reasons and Effects of the Merger – Effects" on page 14.

Payment for Shares.

You will be paid for the shares of Common Stock you hold as of the effective date of the merger promptly after the effective date of the merger and your compliance with the instructions set forth in the Notice of Merger and Appraisal Rights and Letter of Transmittal, which will be mailed to stockholders of record of AMIC as of the effective date of the merger within ten (10) calendar days following the effective date of the merger. Please do not submit your stock certificates before you have received these documents.

See Item 4 “Terms of the Transaction” on page 34 of this Schedule 13E-3.

Source and Amount of Funds; Conditions to Completing the Merger.

The total amount of funds expected to be required to pay the Stock Merger Price, 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. Since IHC’s loan to Acquisition Co. will be without conditions, there are no conditions to completing the merger.

See Item 10 "Source and Amounts of Funds or Other Consideration" on page 44 of this Schedule 13E-3.

The Filing Persons' Position on the Fairness of the Merger

The Filing Persons have concluded that the merger is both substantively and procedurally fair to the unaffiliated security holders of AMIC (the "Unaffiliated Security Holders") based primarily on the following factors:

- The merger will enable the Unaffiliated Security Holders of AMIC to realize (without the payment of any brokerage fees or commissions) cash for their shares of Common Stock at a premium of (i) approximately 182% to $8.77, the last sales price of the Common Stock as of the end of trading on January 5, 2016 (the date that IHC publicly announced after the end of trading in a press release that it was taking steps to consider a going private transaction) and (ii) approximately 180% to $8.83, which is the thirty (30)-day volume-weighted average price prior to the end of trading on January 5, 2016 (the date that IHC publicly announced after the end of trading in a press release that it was taking steps to consider a going private transaction). The Stock Merger Price is greater than the range of closing prices per share of AMIC Common Stock during 2015, which closing prices ranged from a high of $11.19 to a low of $8.57;

- The Stock Merger Price is a 143% premium to the $10.19 per share price IHC paid to acquire an aggregate of 157,855 shares of AMIC Common Stock in a privately negotiated arms' length transaction with a sophisticated, unaffiliated AMIC stockholder on March 24, 2015;

- The sale of IHC Risk Solutions, LLC, which may be considered the sale of all or substantially all of AMIC's assets, was consummated on March 31, 2016. The Stock Merger Price is approximately a 20% premium to the post-closing per share price of Common Stock of $20.67 on April 4, 2016 (to allow the market to absorb the disclosure, the second full trading day following March 31, 2016, the date that IHC publicly announced after the end of trading in a press release the consummation of the sale of IHC Risk Solutions, LLC);

- Before establishing the Stock Merger Price, IHC retained Duff & Phelps, LLC ("Duff & Phelps") to provide an analysis of values of the Common Stock resulting from the application of generally accepted valuation and analytical techniques;

- The Stock Merger Price is in excess of AMIC's range of $23.02 to $24.30 estimated discounted cash flow value, based on an analysis by Duff & Phelps;

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The Stock Merger Price is within the high end range of AMIC's $22.96 to $25.18 estimated equity value as compared to select public companies, based on an analysis by Duff & Phelps of the financial performance and trading multiples of such companies,

- The Stock Merger Price is the highest price of AMIC's concluded per share price range of $22.99 to $24.74, based on an analysis by Duff & Phelps;

- AMIC Common Stock trades on the Nasdaq Capital Market (NASDAQ:AMIC), and the daily trading volumes are relatively minimal (e.g., the average daily trading volume of Common Stock for the three months prior to January 5, 2016 (the date that IHC publicly announced after the end of trading in a press release that it was taking steps to consider a going private transaction) was 539 shares). Therefore, shares of AMIC Common Stock have limited liquidity and, as a result, it may be difficult for the Unaffiliated Security Holders to sell even small amounts of Common Stock without adversely impacting the market prices thereof;

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- The merger will enable the holders of AMIC Common Stock, excluding Acquisition Co. but including the Unaffiliated Security Holders, to realize (without the payment of any brokerage fees or commissions) a cash value for their shares, which would otherwise be difficult to achieve, given the illiquidity of the market; and

- The holders of AMIC Common Stock, excluding Acquisition Co. but including the Unaffiliated Security Holders, will be entitled to exercise appraisal rights and demand "fair value" for their shares as determined by the Delaware Court of Chancery, which may be determined to be equal to, more than, or less than the Stock Merger Price to which the stockholders are entitled in the merger. See "Special Factors—Purposes, Alternatives, Reasons and Effects of the Merger" on page 12 and Item 4 "Terms of the Transaction" on page 33 of this Schedule 13E-3.

See "See "Special Factors—Fairness of the Merger—Position of the Filing Persons as to the Fairness of the Merger" on page 19.

Consequences of the Merger

Completion of the merger will have the following consequences:

- AMIC will be merged into Acquisition Co., with Acquisition Co. continuing as the surviving corporation. The Surviving Corporation will be a privately held corporation, with the IHC Entities owning all of the capital stock of the Surviving Corporation;

- The shares of Common Stock will no longer be publicly traded. See "Special Factors - Purposes, Alternatives, Reasons and Effects of the Merger – Effects - The Shares of Common Stock" on page 15. In addition, the Surviving Corporation will no longer be subject to the reporting and other disclosure requirements of the Securities Exchange Act of 1934, as amended, including requirements to file annual and other periodic or current reports or to provide the type of going private disclosure contained in this Schedule 13E-3;

- Only the IHC Entities and their stockholders will have the opportunity to participate in the future earnings and growth, if any, of the Surviving Corporation. Similarly, only the IHC Entities and their stockholders will face the risk of losses generated by the Surviving Corporation's operations or the decline in value of the Surviving Corporation;

- Subject to the proper exercise of statutory appraisal rights, each share of AMIC Common Stock held by persons other than Acquisition Co. as of the effective date of the merger will be converted into the right to receive $24.74 cash, without interest;

- In connection with the merger, Acquisition Co. will pay cash for the AMIC stock options (both vested and unvested) that are currently outstanding;

- Each of IHC's and MIC's interest (through their respective interests in Acquisition Co.) in the net book value of AMIC at March 31, 2016 will increase by 3.23% and 5.34%, respectively; and

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- Each of IHC's and MIC's interest (through their respective interests in Acquisition Co.) in the net earnings of AMIC will increase by 3.23% and 5.34%, respectively

See "Special Factors, Purposes, Alternatives, Reasons and Effects of the Merger - Effects" on page 14.

Appraisal Rights

Subject to compliance with the applicable provisions of the DGCL, you have a statutory right to dissent and demand payment of the "fair value" (as defined pursuant to Section 262 of the DGCL) of your shares of AMIC Common Stock as determined in a judicial appraisal proceeding in accordance with Section 262 of the DGCL, plus interest, if any, from the effective date of the merger. This value may be equal to, more than, or less than the Stock Merger Price offered in the merger. 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 properly exercise these rights, you must make a written demand for appraisal within twenty (20) days after the date of mailing of the Notice of Merger and Appraisal Rights and Letter of Transmittal, which will be mailed to AMIC stockholders of record as of the effective date of the merger within ten (10) days following the effective date of the merger, and otherwise comply with the procedures for exercising appraisal rights set forth in the DGCL. The statutory right to seek appraisal is complicated. A copy of Section 262 of the DGCL, both pre-Amendment and post-Amendment, is attached to this Schedule 13E-3 as Exhibit F-1 and F-2, respectively. Any failure to properly comply with its terms may result in an irrevocable loss of such right. Stockholders seeking to properly exercise their statutory appraisal rights are encouraged to seek advice from legal counsel.

See "Fairness of the Merger – Factors Considered in Determining Fairness – Appraisal Rights" on page 19 and Item 4 "Terms of the Transaction - Appraisal Rights" on page 34 of this Schedule 13E-3.

Where You Can Find More Information

More information regarding AMIC is available from its public filings with the Securities and Exchange Commission ("SEC"). AMIC also maintains a website at www.americanindependencecorp.com. 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.

See also Item 2 "Subject Company Information" on page 31 of this Schedule 13E-3 and Item 3 "Identity and Background of Filing Persons" on page 31 of this Schedule 13E-3.

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INTRODUCTION

This Transaction Statement on Schedule 13E-3 is being filed with the SEC by the IHC Entities and Acquisition Co. (collectively, the "Filing Persons") pursuant to Section 13(e) of the Exchange Act, and Rule 13e-3 promulgated thereunder.

This Schedule 13E-3 is being filed by the Filing Persons in connection with the proposed short-form merger of Acquisition Co. with AMIC pursuant to Section 253 of the DGCL. The merger is expected to be effective on August 31, 2016 or as soon thereafter as possible (the "Effective Date"). The Filing Persons are under no obligation to consummate the merger and could withdraw from the transaction at any time before the Effective Date.

As of June 15, 2016, there were 8,118,551 shares of AMIC Common Stock outstanding, of which 7,423,151, or 91.43%, were held by the IHC Entities. Each of the IHC Entities intends to contribute the shares of Common Stock that it currently owns to Acquisition Co. immediately prior to the mailing of this Schedule 13E-3 to AMIC's public stockholders.

Upon consummation of the merger, each outstanding share of Common Stock not held by Acquisition Co. or by stockholders of AMIC who properly exercise statutory appraisal rights under the DGCL will be cancelled and automatically converted into the right to receive $24.74 in cash, without interest (the "Stock Merger Price "), upon surrender of the certificate for such share of Common Stock to Broadridge Corporate Issuer Solutions, Inc. (the "Paying Agent"). Instructions regarding surrender of certificates to the Paying Agent together with a description of statutory appraisal rights will be set forth in a Notice of Merger and Appraisal Rights and a Letter of Transmittal, which will be mailed to stockholders of record of AMIC within ten (10) calendar days following the Effective Date. The officers and directors of AMIC will not be entitled to receive cash payments in connection with the merger, other than as holders of Common Stock and/or Company Stock Options (as defined below). The aggregate amount to be paid to the officers and directors of AMIC in connection with the merger (solely as holders of Common Stock and/or Company Stock Options) is estimated to be $1,741,098. As of June 15, 2016, AMIC had outstanding options to acquire 41,112 shares of Common Stock under its 2009 Stock Option Incentive Plan (the "Company Stock Options"). In connection with the merger, Acquisition Co. will pay cash for the Common Stock Options (both vested and unvested). AMIC does not intend to grant any additional stock options prior to consummation of the merger.

The Paying Agent's address and telephone number is: Broadridge Corporate Issuer Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717, Telephone No. 866-321-8022 (toll free).

Under the DGCL, no action is required by the Board of Directors or the stockholders of AMIC for the merger to become effective. Acquisition Co. will be the surviving corporation in the merger (the "Surviving Corporation") and the IHC Entities will be the sole stockholders of the Surviving Corporation after the merger. THE BOARD OF DIRECTORS OF AMIC HAS NOT ACTED TO APPROVE OR DISAPPROVE THE MERGER, AND STOCKHOLDERS OF AMIC ARE NOT BEING ASKED TO APPROVE OR DISAPPROVE, OR FURNISH A PROXY IN CONNECTION WITH, THE MERGER.

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Subject to compliance with the applicable provisions of the DGCL, stockholders of AMIC as of the Effective Date other than Acquisition Co. have a statutory right to demand payment of the "fair value" (as defined pursuant to Section 262 of the DGCL) of their shares of Common Stock as determined in a judicial appraisal proceeding in accordance with Section 262 of the DGCL, plus interest, if any, from the Effective Date. This value may be equal to, more than, or less than the Stock Merger Price offered in the merger. 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.

AMIC stockholders wishing to seek such appraisal rights must make a written demand for appraisal within twenty (20) days after the date of mailing of the Notice of Merger and Appraisal Rights and Letter of Transmittal and otherwise comply with the procedures for exercising appraisal rights set forth in the DGCL. The statutory right to seek appraisal is complicated. A copy of Section 262 of the DGCL, both pre-Amendment and post-Amendment, is attached to this Schedule 13E-3 as Exhibit F-1 and F-2, respectively Any failure to properly comply with its terms may result in an irrevocable loss of such right. Stockholders seeking to properly exercise their statutory appraisal rights are encouraged to seek advice from legal counsel.

This Schedule 13E-3 and the documents incorporated by reference in this Schedule 13E-3 include certain forward-looking statements. These statements appear throughout this Schedule 13E-3 and include statements regarding the intent, belief, or current expectations of the Filing Persons, including statements concerning the Filing Persons' strategies following completion of the merger. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors, including general economic conditions, positions and strategies of competitors and the capital markets.

BACKGROUND OF THE MERGER

AMIC is a holding company principally engaged in health insurance and reinsurance. Through its subsidiaries, AMIC provides specialized health coverage and related services to commercial customers and individuals, and focuses on niche health products and narrowly defined distribution channels in the United States. AMIC's wholly owned subsidiary, Independence American Insurance Company ("IAIC"), markets its products through IHC Specialty Benefits, Inc. (including through www.healthedeals.com and www.aspiraAmas.com[1]), IPA Family, LLC, and IPA Direct, LLC, each of which are subsidiaries of AMIC (collectively, the "Agencies"), and through independent brokers, producers and agents. AMIC retains much of the risk that it underwrites, and currently sells or reinsures the following lines of business: (i) specialty health products, including short-term medical, vision, dental, supplemental products (including fixed indemnity limited benefit, critical illness, and hospital indemnity); (ii) pet insurance; (iii) occupational accident; and (iv) New York State Disability Benefits Law. In addition, AMIC markets and sells certain other products (including Affordable Care Act major medical and small group stop-loss policies) for various unaffiliated insurers through the Agencies.

AMIC began its affiliation with IHC on July 30, 2002 when MIC, an affiliate of IHC, purchased from an affiliate of Pacific Century Cyberworks, 5,000,000 shares of AMIC Common Stock (constituting 19.9% of the outstanding shares of AMIC Common Stock at that time), for $15 million or $3.00 per share. Subsequently, AMIC did a 3 for 1 reverse stock split, which caused these shares to be converted into 1,666,666 shares with a value of $9.00 per share. Also on July 30, 2012, AMIC (under its former name Softnet Systems, Inc.) entered into a stock purchase agreement with IHC and one of its affiliates, SSH Corp., whereby AMIC purchased the stock of First Standard Holdings Corp. (now known as Independence American Holdings Corp. ("IAHC")) from SSH Corp. for $31.92 million in cash. Such transaction closed on or around November 27, 2002.

In addition to the shares acquired from the affiliate of Pacific Century Cyberworks, IHC and one of its affiliates agreed to make a cash tender offer after the closing of the acquisition of IAHC for $9.00 per share ($3.00 post reverse split). On April 22, 2003, AMIC acquired 3,000,000 shares (1,000,000 shares post reverse split).

Prior to these acquisitions, AMIC was a holding company principally engaged in providing internet services. IAHC and its wholly-owned subsidiaries were engaged in the insurance and reinsurance business. After these acquisitions, the senior management team of IHC began providing management services to AMIC and changed AMIC's name from 'Softnet Systems, Inc.' to 'American Independence Corp.' AMIC also began trading on the NASDAQ Global Market under the ticker 'AMIC.' At the time of closing, IAHC owned an insurance company (now known as Independence American Insurance Company) ("IAIC") and two medical stop-loss managing general underwriters ("MGU's"). AMIC subsequently purchased two more MGUs and a 23% equity interest in another MGU (the balance being owned by IHC) and entered into a long-term reinsurance treaty with IHC whereby IHC agreed to cede medical stop-loss reinsurance to IAIC. These MGUs were subsequently merged together to form (or entered into contractual relationships with) IHC Risk Solutions LLC ("RS"). AMIC's sale of RS to Swiss Re Corporate Solutions, which may be considered the sale of all or substantially all of AMIC's assets, was consummated on March 31, 2016. (See "Item 5(b)

"Past Contacts, Transactions, Negotiations and Agreements—Significant Corporate Events" on page 39 of this Schedule 13E-3 for additional information). Between April 2003 and March 2010, IHC and MIC increased their ownership percentage of AMIC by purchasing shares through open market purchase transactions and privately negotiated transactions with unaffiliated AMIC stockholders. By March 2010, IHC and MIC had increased their aggregate ownership percentage of AMIC to a little over 50%. On June 30, 2010, IHC contributed all of its shares of AMIC Common Stock that it then owned to MIC. Afterwards, IHC and MIC made a series of acquisitions of AMIC Common Stock through market transactions and privately negotiated transactions with unaffiliated AMIC stockholders and increased their aggregate ownership percentage to 63%.

[1] Information contained on or connected to these websites 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.

On July 15, 2011, IHC offered to exchange up to 908,085 shares of its common stock for shares of AMIC Common Stock. For each share of AMIC Common Stock accepted, IHC issued 0.625 of a share of IHC common stock. As a result of the exchange offer, 1,109,225 shares of AMIC Common Stock were tendered and not withdrawn, all of which were accepted for exchange by IHC, and IHC exchanged approximately 693,266 shares of its common stock for the tendered shares of AMIC Common Stock. The exchange offer expired on August 12, 2011. Following the completion of the exchange offer, IHC's and MIC’s total aggregate ownership of AMIC increased to 76%.

Subsequent to the exchange offer, IHC made a series of acquisitions of AMIC Common Stock through market transactions and privately negotiated transactions with unaffiliated AMIC stockholders. In addition, AMIC made treasury share repurchases in January, 2013, which increased IHC’s and MIC’s aggregate ownership increased to over 80%.

On September 4, 2013, IHC commenced another tender offer to purchase up to 762,640 shares of AMIC Common Stock for $10.00 net per share in cash, which represented a 19.5% premium to the closing price of AMIC Common Stock reported on the NASDAQ Global Market on September 3, 2013. The tender offer was oversubscribed, with 952,999 shares of AMIC Common Stock being tendered and not withdrawn. The number of shares that IHC accepted for purchase from each of the tendering stockholders was prorated to limit IHC's purchase to 762,640 shares. The tender offer expired on October 2, 2013. Following its completion of the tender offer, IHC and MIC owned an aggregate of 90% of the outstanding shares of AMIC Common Stock. At the closing of the tender offer, IHC did not contemplate entering into a short form merger with AMIC.

On March 24, 2015, an unaffiliated AMIC stockholder contacted IHC to inquire whether IHC would have an interest in acquiring 157,855 shares of AMIC Common Stock held by such stockholder. IHC agreed to acquire such shares of AMIC Common Stock at a per share purchase price of $10.19. As a result, IHC’s ownership of AMIC, in the aggregate with MIC’s ownership, increased to 91.88%. Due to option exercises, IHC’s aggregate ownership changed to 91.62% at March 31, 2016, with IHC holding 34.57% and MIC holding 57.05%. As a result of owning more than 90% of AMIC, IHC and MIC, following the contribution of their shares of AMIC Common Stock to Acquisition Co., will be able to cause Acquisition Co. to complete the merger pursuant to Section 253 of the DGCL, which authorizes “short-form” mergers.

On January 4, 2016, the board of directors of IHC (the “IHC Board”) held a special meeting by telephone. All directors were present and could hear each other during the meeting. At the meeting, the IHC Board preliminarily determined to take the steps necessary to take AMIC private in 2016. In a press release issued on January 5, 2016, IHC disclosed that the IHC Board appointed a special committee of independent directors (the “Special Committee”), which had been authorized to hire independent advisors to recommend to the full IHC Board the price at which IHC would take AMIC private in 2016. In addition, at this same meeting, the IHC Board approved the entry into the agreement to sell RS to Swiss Re Corporate Solutions. However, neither such sale nor such proposed going-private transaction were connected with, or contingent upon, the other.

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On January 13, 2016, Mr. Allan Kirkman and Mr. John Lahey, the independent directors who comprised the Special Committee, held the first meeting of the Special Committee. The meeting was held by telephone and representatives of Young Conaway Stargatt & Taylor, LLP ("Young Conaway") attended the meeting by invitation of the Special Committee. The Special Committee members discussed with Young Conaway a short-form merger and whether it was in the best interests of IHC to have the Special Committee, rather than the full IHC Board, determine whether or not it was prudent to consummate a short-form merger with AMIC that would have the effect of taking AMIC private. The Special Committee engaged Young Conaway as its legal counsel at the meeting and asked Young Conaway to prepare a memo describing the costs and benefits of having a Special Committee. The Special Committee deferred making any type of decision until after it reviewed the memo.

The second meeting of the Special Committee was held by telephone on January 15, 2016. Representatives of Young Conaway attended the meeting by invitation of the Special Committee. Messrs. Kirkman and Lahey discussed with Young Conaway the memo and concluded, after examining the costs and benefits of having a Special Committee, that it would be better for the Special Committee to disband and have the material aspects of the merger determined by the full IHC Board, with the assistance of management.

On January 22, 2016, the IHC Board held a special meeting by telephone. All directors were present and could hear each other during the meeting. Mr. David T. Kettig informed the IHC Board that Messrs. Kirkman and Lahey had consulted with Young Conaway on two separate occasions. Messrs. Kirkman and Lahey summarized for the IHC Board the advice that Young Conaway had provided. Following discussion, the IHC Board determined to accept the Special Committee's recommendation that the Special Committee be disbanded and that the full IHC Board retain the power and responsibility of determining all material aspects of the merger.

At the same meeting, the IHC Board considered the selection of a valuation firm to advise the IHC Board respecting the fair value of AMIC and AMIC Common Stock for purposes of a potential short-form merger. The options presented were: (i) Dowling Hales LLC, which had provided financial advisory services in connection with the sale of RS and may be engaged to provide similar services with respect to future asset or stock sales; (ii) Duff & Phelps, which has provided financial advisory services to IHC (such as analysis of good will, valuation of IHC and AMIC in relation to purchase accounting, and determining fair value of a ceding commission in a transaction) for which (A) IHC has paid or accrued approximately $333,400 in the aggregate in calendar years 2014 and 2015 and the five months ended May 31, 2016, and expects to pay approximately $50,000 per year for annual goodwill valuation support, and (B) AMIC has paid approximately $36,000 in the aggregate in calendar years 2014 and 2015 and the five months ended May 31, 2016 and does not expect to pay any fees in the foreseeable future ; and (iii) a third party firm that would be new to IHC. After considering the potential benefits and risks associated with each of these alternatives, the IHC Board determined to authorize management to approach Duff & Phelps to determine whether, and on what terms, Duff & Phelps would provide a valuation of AMIC and AMIC Common Stock that could be used to establish the Stock Merger Price in the event that a determination were to be made to proceed with the short-form merger. The IHC Board made this determination with an understanding that Duff & Phelps has previously done, and is expected to continue to do, business with IHC. Among other things, the IHC Board considered the argument that Duff & Phelps was not "independent" of IHC on account of Duff & Phelps' prior, current and expected future business relationship with IHC, which argument could be eliminated if a financial advisor at Duff & Phelps with no prior relationship and no expected future relationship with IHC were engaged. The IHC Board also considered that the fees paid and expected to be paid to Duff & Phelps by IHC and its affiliates were not likely to be material to Duff & Phelps in relation to the overall fees received from all clients of Duff & Phelps, and the fact that Duff & Phelps has the advantage of already being familiar with IHC, which would make the process more efficient. After due consideration, the IHC Board determined that the benefits of engaging Duff & Phelps outweighed the risks of doing so and outweighed the benefits of engaging a new firm that has no prior experience with AMIC or its subsidiaries, and authorized IHC's management to have discussions with Duff & Phelps regarding their possible engagement. On February 1, 2016, IHC engaged Duff & Phelps to provide a valuation analysis of AMIC and the AMIC Common Stock from which the IHC Board would make a determination of whether or not to proceed with a short-form merger, and, if so, the per share price it will pay to AMIC's public stockholders.

On February 1, 2016, IHC entered into an engagement letter with Duff & Phelps pursuant to which Duff & Phelps would serve as an independent financial advisor to IHC to provide a valuation analysis in connection with a going private transaction that would be effected by way of a statutory “short-form” merger of AMIC with Acquisition Co. pursuant to the terms of Section 253 of the DGCL.

On March 4, 2016, Acquisition Co. was incorporated in Delaware.

On March 9, 2016, the IHC Board held an in-person special meeting at which Duff & Phelps presented to the IHC Board a draft of the valuation analysis. During the meeting, the directors asked Duff & Phelps questions about the valuation analysis. The IHC Board decided to review the valuation analysis in detail before making any decision regarding whether or not to proceed with the going private transaction and, if the IHC Board determined to proceed, the purchase price to be offered to the stockholders of AMIC other than Acquisition Co. and the AMIC stockholders who exercise their appraisal rights. The meeting was adjourned and no future meeting date was set.

On June 14, 2016, Duff & Phelps distributed to management a revised draft of its valuation analysis to take into consideration an immaterial misstatement of a deferred tax liability on AMIC’s balance sheet that was discovered by management of AMIC in March, 2016. On June 15, 2016, IHC management distributed a copy of such revised valuation analysis to the members of the IHC Board via email transmission and a telephonic meeting of the IHC Board was scheduled for June 20, 2016.

At the June 20, 2016 special meeting, the IHC Board decided to go forward with the going private transaction. It adopted Duff & Phelps’s valuation analysis and set the purchase price at $24.74 per share. In determining to approve the terms of the merger, the IHC Board relied on Duff & Phelps’s valuation analysis and considered current and historical market prices for the shares of AMIC Common Stock. In particular, the IHC Board considered stock price as part of its review of Duff & Phelps’s valuation analysis. Although the IHC Board did not consider book value per share, liquidation value or other factors in making this determination, it decided to rely on and adopt an unbiased third party’s analysis of discounted cash flow and select public companies to approve the terms of the merger. For more information, see “Fairness of the Merger” beginning on page 19 of this Schedule 13E-3.

Immediately prior to the mailing of this Schedule 13E-3 to the public stockholders of AMIC, the IHC Entities will contribute their respective shares of AMIC Common Stock to Acquisition Co., resulting in Acquisition Co. owning 91.43% in the aggregate of the outstanding shares of AMIC Common Stock.

SPECIAL FACTORS

PURPOSES, ALTERNATIVES, REASONS AND EFFECTS OF THE MERGER

Purposes

IHC and MIC (collectively, the “IHC Entities”) are currently the holders of 34.5% and 56.93%, respectively, of the outstanding shares of AMIC Common Stock. On March 4, 2016, the IHC Entities formed Acquisition Co. Prior to the mailing of this Schedule 13E-3 to AMIC’s public stockholders, the IHC Entities will enter into a Contribution Agreement (the “Contribution Agreement”) with Acquisition Co., pursuant to which the IHC Entities will contribute immediately prior to the mailing of this Schedule 13E-3 to AMIC’s public stockholders an aggregate of 7,423,151 shares of Common Stock (representing all of the shares of Common Stock held by the IHC Entities) to Acquisition Co. As a result of such contributions, Acquisition Co. will own 91.43% of the outstanding shares of Common Stock. The IHC Entities then intend to cause Acquisition Co. to merge with AMIC in a “short form” merger pursuant to Section 253 of the DGCL, with Acquisition Co. continuing as the surviving corporation (the “Surviving Corporation”).

The purpose of the merger is for the IHC Entities to acquire the shares of Common Stock that they do not already own. The merger is a means for acquiring for cash all of the shares of Common Stock not owned directly or indirectly by the IHC Entities and providing a source of liquidity to the AMIC public stockholders of their shares of Common Stock. The IHC Entities intend to cause Acquisition Co. to effect the merger on August 31, 2016, or as soon as practical thereafter; provided, however, that the IHC Entities are under no obligation to consummate the merger and could decide to withdraw from the transaction at any time before it becomes effective.

The Merger.

On June 27, 2016, the Filing Persons filed an initial Schedule 13E-3 with the SEC announcing the intention of the IHC Entities to cause Acquisition Co. to effect the “short form” merger. Pursuant to the terms of the merger, AMIC will be merged into Acquisition Co., with Acquisition Co. continuing as the surviving corporation, and each outstanding share of Common Stock, other than shares of Common Stock held by Acquisition Co. and by stockholders of AMIC who properly exercise statutory appraisal rights under Section 262 of the DGCL, will be cancelled and automatically converted into the right to receive in cash the Stock Merger Price. Immediately following the merger, the IHC Entities will own 100% of the capital stock of the Surviving Corporation. Further, the shares of Common Stock will be de-registered under the Exchange Act.

As the holder of in excess of 90% of the outstanding shares of Common Stock, Acquisition Co. may effect the merger without the approval of the Board of Directors of AMIC or the other stockholders of AMIC. Such other holders of Common Stock (which constitutes the only class of capital stock of AMIC that, in the absence of Section 253 of the DGCL, would be entitled to vote on the merger) will not be entitled to vote their shares with respect to the merger. THE BOARD OF DIRECTORS OF AMIC HAS NOT ACTED TO APPROVE OR DISAPPROVE THE MERGER, AND STOCKHOLDERS OF AMIC ARE NOT BEING ASKED TO APPROVE OR DISAPPROVE, OR FURNISH A PROXY IN CONNECTION WITH, THE MERGER.

Alternatives

The Filing Persons believe that effecting the transaction by way of a "short-form" merger with Acquisition Co. under Section 253 of the DGCL is the quickest and most cost effective way for Acquisition Co. to acquire the public minority interest in AMIC and to provide the stockholders other than Acquisition Co. with the cash Stock Merger Price for their shares of AMIC Common Stock.

Reasons

In determining whether to acquire the outstanding shares of Common Stock that they do not already own, and to effect the merger, the Filing Persons considered the following factors to be the principal benefits of taking AMIC private:

- the reduction in the amount of public information available to competitors about AMIC's businesses that would result from the termination of AMIC's obligations under the reporting requirements of the Exchange Act, and the rules and regulations promulgated thereunder, and any other requirements of the SEC;
- the decrease in costs associated with being a public company, which the Filing Persons anticipate should result in savings of at least $500,000 per year. The Filing Persons estimate that if they had earlier suspended AMIC's filing and other obligations under the Exchange Act, AMIC would have achieved cost savings in excess of $560,000 in each of the past two fiscal years with respect to the public reporting requirements. As a privately held entity, AMIC would no longer be required to file quarterly, annual or other periodic and current reports with the SEC, publish and distribute to its stockholders annual reports and proxy statements, comply with certain provisions of the Sarbanes-Oxley Act of 2002 ("SOX"), maintain a board of directors that includes independent members, and pay director and officer liability insurance premiums, independent auditors' fees, legal fees, transfer agent fees, printing costs, and other costs related to being a public company;
- the elimination of additional burdens on management associated with public reporting and other tasks resulting from AMIC's public company status, including, for example, the dedication of time by, and resources of, AMIC's management and Board of Directors to stockholder inquiries and investor and public relations;
- the greater flexibility that AMIC's management would have to focus on long-term business goals, as opposed to quarterly earnings, as a non-reporting company;

- the immediate liquidity for the public stockholders of the Common Stock at the same time and at predetermined prices without the payment of any brokerage fees or commissions, especially considering (i) the lack of interest by institutional investors in companies with a limited public float such as AMIC (AMIC's public float was 651,064 shares as of June 1, 2016) and (ii) the fact that the public market has historically offered minimal liquidity for AMIC stockholders, as average daily trading volume of shares of Common Stock during the three-month period ended March 31, 2015 and 2016 was only 776 shares and 5,172 shares, respectively; and

- the ability to afford the holders of Common Stock excluding Acquisition Co. but including the unaffiliated security holders of AMIC (the "Unaffiliated Security Holders") the opportunity to receive cash for their shares at a price considered fair by the IHC Board after consultation with an independent valuation firm (or, in the alternative, the right for such stockholders to seek an appraisal of the fair value of such shares in accordance with Section 262 of the DGCL).

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The Filing Persons also considered a variety of risks and other potentially negative factors for the public stockholders following the merger, including that:

- the Filing Persons and their stockholders will be the sole beneficiaries of the cost savings that result from going private;
- if AMIC’s financial condition improves, the public stockholders will not participate in any future earnings of or benefit from any increases in the Surviving Corporation's value; rather, only the Filing Persons would benefit by an increase in the value of the Surviving Corporation;
- for U.S. federal income tax purposes generally, the cash payments made to the public stockholders pursuant to the merger may be taxable to the public stockholders; and
- the public stockholders have not been represented in discussions about the merger, either by AMIC’s Board of Directors (which, by statute, is not involved in the short-form merger process) or an independent committee representing the interests of the public stockholders.

Effects

General . The aggregate ownership of the IHC Entities (through Acquisition Co.) in the Common Stock immediately prior to the merger will be 91.43%. Upon completion of the merger, the IHC Entities will have complete control over the conduct of the Surviving Corporation’s business, and their interest in the net assets, net book value and net earnings of the Surviving Corporation will increase from 91.43% to 100% thereof. In addition, upon completion of the merger, only the IHC Entities will receive the benefit of the right to participate in any future increases in the value of the Surviving Corporation and will bear the risk of any losses incurred in the operation of the Surviving Corporation and any decrease in the value of the Surviving Corporation. In particular, in conducting its valuation analysis of AMIC and AMIC Common Stock, Duff & Phelps separately valued and added to AMIC’s equity value the present value of AMIC’s net operating loss carryforward (“NOL”) tax benefits. Duff & Phelps estimated the present value of AMIC’s NOLs at a range of $15.7 - $16.6 million in this valuation analysis. Following the completion of the merger, the Surviving Corporation will directly benefit from the utilization of these NOLs and the IHC Entities will indirectly benefit from the Surviving Corporation’s utilization of these NOLs. Furthermore, the IHC Entities will indirectly realize all of the benefit in the estimated savings of at least $500,000 per year in costs related to AMIC being a public company. Upon completion of the merger, the IHC Entities’ interest in the Surviving Corporation’s net book value (approximately $103,920,000 at December 31, 2015) and net earnings (approximately $3,529,000 for the fiscal year ending December 31, 2015) will increase from 91.43% to 100% thereof.

Stockholders . Upon completion of the merger, the public stockholders will no longer have any interest in AMIC, and will not be stockholders of the Surviving Corporation, and therefore will not participate in the Surviving Corporation's future earnings and potential growth or indirectly benefit from the utilization of AMIC's NOL's, and will not bear the risk of any decreases in the value of the Surviving Corporation. In addition, the public stockholders will not share in any distribution of proceeds after any sales of businesses of the Surviving Corporation, whether contemplated at the time of the merger or thereafter. See Item 6(c) "Purposes of the Transaction and Plans or Proposals—Plans" on page 42 of this Schedule 13E-3. All of the public stockholders' other indicia of stock ownership, such as the right to vote on certain corporate decisions, to elect directors, to receive distributions upon the liquidation of AMIC, and to receive appraisal rights upon certain mergers or consolidations of AMIC (unless such appraisal rights are perfected in connection with the merger) will be extinguished upon completion of the merger. Instead, the public stockholders will have liquidity, in the form of the Stock Merger Price, in place of an ongoing equity interest in the Surviving Corporation . However, the public stockholders (other than the public stockholders, if any, who properly exercise their statutory appraisal rights under the DGCL) will be required to surrender their shares of Common Stock involuntarily in exchange for the Stock Merger Price, and will not have the right to liquidate the shares of Common Stock at a time and for a price of their choosing. In summary, if the merger is completed, the public stockholders will have no ongoing rights as stockholders of the Surviving Corporation (other than statutory appraisal rights in connection with the merger, if properly perfected under the DGCL).

The Shares of Common Stock. Once the merger is consummated, public trading of the shares of Common Stock will cease. The Filing Persons intend to deregister the shares of Common Stock under Section 13 of the Exchange Act. As a result, the Surviving Corporation will no longer be required to file annual, quarterly, and other periodic and current reports with the SEC under the Exchange Act and will no longer be subject to the proxy rules under Section 14 of the Exchange Act. In addition, the IHC Entities will no longer be subject to reporting their ownership of shares of Common Stock under Section 13 of the Exchange Act or to the requirement under Section 16 of the Exchange Act to disgorge to AMIC certain profits from the purchase and sale of shares of Common Stock.

The Company Stock Options. As of June 15, 2016, AMIC had outstanding Common Stock Options to purchase 41,112 shares of Common Stock. AMIC does not intend to grant any additional options under its 2009 Stock Incentive Plan. In connection with the merger, Acquisition Co. will pay cash for the Common Stock Options (both vested and unvested).

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain material U.S. federal income tax consequences relevant to a U.S. Holder and Non-U.S Holder (each as defined below) of AMIC resulting from the merger. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), its legislative history, United States judicial decisions, administrative pronouncements, existing and proposed Treasury regulations, and published rulings, all as in effect as of the date hereof. This summary assumes that each U.S. Holder and Non-U.S. Holder of Common Stock have held their Common Stock as a capital asset under the Internal Revenue Code. All of the preceding authorities are subject to change, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those discussed below. No ruling has been obtained, and no ruling will be requested, from the Internal Revenue Service ("IRS") with respect to any of the United States federal income tax consequences described below, and as a result, there can be no assurance that the IRS will not challenge any of the conclusions that are described herein or that a court would sustain such challenge.

The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to particular investors and does not address state, local, foreign, or other tax laws. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain taxpayers subject to special treatment under U.S. federal income tax laws (such as financial institutions, regulated investment companies, real estate investment trusts, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers or traders in securities or currencies, investors whose functional currency is not the U.S. dollar, persons holding the stock as part of a hedging, integrated or conversion transaction, constructive sale or "straddle," persons who acquired their stock through the exercise or cancellation of employee stock options or otherwise as compensation for their services, or investors that own or have owned more than 5% of AMIC's Common Stock). Finally, the following discussion does not address the tax consequences under U.S. federal estate and gift tax laws, state, local or non-U.S. tax laws, or the Medicare tax on net investment income.

For purposes of this summary, the term "U.S. Holder" means a beneficial owner of shares of Common Stock that, for U.S. federal income tax purposes, is:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity taxable as a corporation that is created or organized in or under the laws of the United States or any state thereof (or the District of Columbia);
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or

- a trust (x) if a court within the United States is able to exercise primary jurisdiction over the administration of the trust, and one or more United States persons (within the meaning of the Internal Revenue Code) have the authority to control all substantial decisions of the trust; or (y) that has an election in effect under applicable income tax regulations to be treated as a United States person.

A "Non-U.S. Holder" means a beneficial owner of shares of Common Stock that is an individual, corporation (or other entity treated as a corporation for U.S. federal income tax purposes), trust or estate and that is not a U.S. Holder.

If a partnership is a beneficial owner of shares of Common Stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership that holds shares of Common Stock, you should consult your tax advisor regarding the tax consequences of the merger.

ALL BENEFICIAL OWNERS OF SHARES OF COMMON STOCK SHOULD CONSULT THEIR TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN, AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Receipt of Cash

U.S. Holders

The receipt of cash by a U.S. Holder, pursuant to the merger or pursuant to the U.S. Holder’s statutory appraisal rights, will be a taxable transaction for U.S. federal income tax purposes. A U.S. Holder will generally recognize capital gain or loss for federal income tax purposes equal to the difference, if any, between the amount of cash the U.S. Holder receives in the merger and the U.S. Holder’s adjusted tax basis in the Common Stock. A U.S. Holder’s adjusted tax basis in a share of Common Stock will generally be the cost at which it was purchased. Capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the shares for more than one year at the time of disposition. The deductibility of capital losses is subject to significant limitations under the Internal Revenue Code. The cash payments made to U.S. Holders pursuant to the merger will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations.

Non-U.S. Holders

Generally, a Non-U.S. Holder will not be subject to U.S. federal income taxes upon the exchange of the Non-U.S. Holder's shares for cash in the merger provided:

- the Non-U.S. Holder's capital gain is not effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Holder; and
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in the case of an individual, the non-U.S. Holder is not present in the United States for 183 days or more during the current taxable year or certain other circumstances exist.

A Non-U.S. Holder described in the first bullet point above will be required to pay U.S. federal income tax on the net gain derived from the disposition of AMIC Common Stock at the graduated tax rates that apply to U.S. Holders, and if the Non-U.S. Holder is treated as a corporation for U.S. federal income tax purposes, it may also be required to pay a branch profits tax at a thirty percent (30%) rate or a lower rate if so specified by an applicable income tax treaty. A Non-U.S. Holder described in the second bullet point above will be subject to a flat thirty percent (30%) United States federal income tax on the gain derived from the disposition of AMIC Common Stock in the merger, which may be offset by U.S. source capital losses.

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Information Reporting and Backup Withholding Tax

Under certain circumstances, the Internal Revenue Code imposes a backup withholding obligation on certain reportable payments. Proceeds from the disposition of shares of Common Stock pursuant to the merger that are paid in the United States or by a U.S.-related financial intermediary will be subject to U.S. information reporting rules, unless a U.S. Holder is a corporation or other exempt recipient. In addition, payments that are subject to information reporting may be subject to backup withholding (currently at the rate of twenty-eight percent (28%)). To avoid backup withholding, a U.S. Holder that does not otherwise establish an exemption must provide its correct taxpayer identification number ("TIN") and certify that it is not subject to backup withholding by completing and returning an IRS Form W-9, or otherwise establish an exemption from the backup withholding rules. Non-U.S. Holders generally will avoid being subject to backup withholding by providing a properly completed applicable IRS form W-8 certifying the holder's non-U.S. status or by otherwise establishing an exemption. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a U.S. Holder's U.S. federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is provided to the IRS. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Tax Consequences

The merger is not expected to have material U.S. federal income tax consequences to any of the Filing Persons or to AMIC.

FAIRNESS OF THE MERGER

Position of the Filing Persons as to the Fairness of the Merger

Applicable Delaware law does not require procedural fairness in the context of a "short-form" merger pursuant to Section 253 of the DGCL. However, because each of the Filing Persons may be deemed to be the beneficial owner of a majority of the shares of Common Stock, and each of the Filing Persons may therefore be deemed "affiliates" of AMIC within the meaning of Rule 13e-3 under the Exchange Act, Rule 13e-3 under the Exchange Act requires the Filing Persons to provide certain information regarding their position as to the substantive and procedural fairness of the proposed merger to the Unaffiliated Security Holders of AMIC. Accordingly, each of the Filing Persons is expressing in this section its reasonable belief as to the substantive and procedural fairness of the merger to the Unaffiliated Security Holders of AMIC, and the Filing Persons are making the statements included in this section solely for the purpose of complying with the requirements of Rule 13e-3 and related rules under the Exchange Act.

Factors Considered in Determining Fairness

In reaching its determination that the terms of the merger are both substantively and procedurally fair to the stockholders of AMIC, the Filing Persons considered the factors described below.

The Stock Merger Price. The Filing Persons believe that the cash Stock Merger Price is fair in relation to recent trading prices for AMIC Common Stock and will enable the Unaffiliated Security Holders of AMIC to realize (without the payment of any brokerage fees or commissions) cash for their shares of Common Stock at a premium of (i) approximately 182% to $8.77, the last sales price of the Common Stock as of the end of trading on January 5, 2016 (the date that IHC publicly announced after the end of trading in a press release that it was taking steps to consider a going private transaction) and (ii) approximately 180% to $8.83, which is the thirty (30)-day volume-weighted average price prior to the end of trading on January 5, 2016 (the date that IHC publicly announced after the end of trading in a press release that it was taking steps to consider a going private transaction). The Stock Merger Price is greater than the range of closing prices per share of AMIC Common Stock during 2015, which closing prices ranged from a high of $11.19 and a low of $8.57;

On January 5, 2016, the date that IHC publicly announced after the end of trading in a press release that it was taking steps to consider a going private transaction, the stock price for the Common Stock had been in a range of $10.11 to $22.76 from January 5, 2016 through June 1, 2016. In this same announcement, IHC also announced that AMIC had entered into an agreement sell IHC Risk Solutions to Swiss Re Corporate Solutions. The trading volumes during this period were sometimes significantly higher than the volumes prior to the announcement. The Filing Persons believe that the stock prices and trading volumes during this period are not fully indicative of the real value of the Common Stock and represent in part speculation on the price that might be paid in a going private transaction. Nevertheless, the Stock Merger Price is approximately a 20% premium to the post-closing per share price of Common Stock of $20.67 on April 4, 2016 (to allow the market to absorb the disclosure, the second full trading day following March 31, 2016, the date that IHC publicly announced after the end of trading in a press release the consummation of the sale of IHC Risk Solutions).

Financial Analysis of the Merger In considering the fairness of the Stock Merger Price from a financial point of view, IHC retained Duff & Phelps, an independent valuation and corporate finance advisory firm ("Duff & Phelps") to provide an analysis of values of AMIC and AMIC Common Stock resulting from the application of generally accepted valuation and analytical techniques, including a discounted cash flow analysis and an analysis of selected public companies that Duff & Phelps deemed relevant. In this regard, the Filing Persons believe that the discounted cash flow analysis conducted by Duff & Phelps, which relied principally on the net present value of AMIC's projected future free cash flow, is a measure of going concern value. The IHC Board adopted Duff & Phelps's valuation analysis at a special meeting held on June 20, 2016. The valuation analysis of Duff & Phelps is described in "Reports, Opinions, Appraisals and Certain Negotiations" beginning on page 23 of this Schedule 13E-3.

Lack of Liquidity. The Filing Persons believed that the liquidity that would result from the merger would be beneficial to the Unaffiliated Security Holders of AMIC because IHC's and MIC's aggregate ownership of approximately 91.43% of the outstanding shares of Common Stock results in an extremely small public float that limits the amount of trading in the shares of Common Stock, and decreases the likelihood that a proposal to acquire the shares by an independent entity could succeed without the consent of IHC and MIC. The limited trading volume in the shares of Common Stock makes ownership thereof unattractive to the Unaffiliated Security Holders because the shares of Common Stock are not readily saleable in the public market. The Common Stock trades on the NASDAQ Capital Market (NASDAQ:AMIC), and the daily trading volumes are minimal. The average daily trading volumes for shares of Common Stock for the three-month period prior to January 5, 2016 (the date that IHC publicly announced after the end of trading in a press release that it was taking steps to consider a going private transaction), were approximately 539 shares. As a result of this insubstantial liquidity, it may be difficult for the Unaffiliated Security Holders to sell even small amounts of Common Stock without adversely impacting the market prices thereof. The Stock Merger Price will allow the Unaffiliated Security Holders of AMIC to realize a cash value for their shares of Common Stock, which otherwise would be difficult given the illiquid trading market for the shares.

No Firm Offers. None of the Filing Persons has received a firm offer for their equity interests in AMIC from a third party within the past two (2) years. The Filing Persons have indicated that they do not expect to entertain an offer for their ownership interest in AMIC.

Historical Market Prices. Although the Filing Persons considered whether the Stock Merger Price constitutes fair value in relation to current and historical market prices for the shares of Common Stock, the Filing Persons gave greater weight to other factors. The Filing Persons believe that the market prices are not an accurate indicator because AMIC's shares of Common Stock are only lightly traded. Consequently, the Filing Persons believe that the sale by any stockholder of AMIC of any significant amount of shares of Common Stock would likely result in a substantial reduction in the market price of the shares thereof. The stock prices may also represent speculation on the price that might be paid in a going private transaction rather than real value of the Common Stock.

The Merger is being effected under the "Short-form" Merger Provisions of the DGCL. As the holder of more than 90% of the outstanding voting stock of AMIC, Acquisition Co. will have effectuated the merger in accordance with the "short-form" merger provisions of Section 253 of the DCGL, under which the merger does not require the approval by the public stockholders of AMIC Common Stock.

Appraisal Rights. Although the merger does not require the approval of a majority of the Unaffiliated Security Holders of AMIC or a majority of disinterested directors of AMIC, and there has not been a representative of the Unaffiliated Security Holders of AMIC to negotiate on their behalf, the Filing Persons believe that the merger is procedurally fair because the Unaffiliated Security Holders of AMIC will be entitled to exercise appraisal rights to receive a court-determined fair value for their shares of Common Stock under Section 262 of the DGCL (see Item 4(c) "Terms of the Transaction—Appraisal Rights" on page 35 of this Schedule 13E-3) and because the Filing Persons are providing advance notice of the merger. The Filing Persons believe that they have disclosed fully the relevant information to permit the Unaffiliated Security Holders of AMIC to determine whether to accept the Stock Merger Price or to seek appraisal for their shares of Common Stock.

Purchases of AMIC Common Stock by the Filing Persons during the Past Two Years. Since the beginning of 2014, IHC made the following additional purchases of Common Stock:

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- On March 24, 2015, IHC purchased an aggregate of 157,855 shares of Common Stock in a privately negotiated transaction with an unaffiliated AMIC stockholder, which shares were acquired in an arms' length transaction with a sophisticated party. The Stock Merger Price is a 143% premium to the $10.19 per share price IHC paid to such unaffiliated third party. On April 6, 2015, the first full trading day following the date when IHC filed an amendment on Schedule 13D disclosing this purchase, the closing market price of AMIC was $10.33 per share.

See "Background of the Merger" on page 8.

Liquidation value analysis. The Filing Persons did not consider any implied liquidation value when determining the Stock Merger Price because it was not contemplated that AMIC would be liquidated regardless of whether or not the merger was completed. Moreover, a liquidation value analysis does not take into account any value that may be attributed to a company's ability to attract new business.

Book value per share. The Filing Persons did not consider book value per share, which is an accounting concept, as a factor because they believed that book value per share is not a material indicator of the value of AMIC as a going concern but rather is indicative of historical costs (and does not, for example, take into account the future prospects of AMIC, market trends and conditions or business risks inherent in a competitive market) and therefore, in their view, is not a relevant measure in the determination as to the fairness of the merger.

Independent Valuation Firm. IHC retained Duff & Phelps, LLC to deliver a valuation analysis of AMIC to the IHC Board. Duff & Phelps provided such analysis, dated June 14, 2016, which resulted, as of the date of such valuation analysis and subject to the qualifications, limitations and assumptions set forth therein, in a concluded price per share of AMIC Common Stock ranging from $22.99 to $24.74. The valuation analysis of Duff & Phelps is described in "Reports, Opinions, Appraisals and Certain Negotiations" beginning on page 23 of this Schedule 13E-3.

Procedural Fairness. The Filing Persons determined that the merger is procedurally fair to the Unaffiliated Security Holders of AMIC. In making such determination, the Filing Persons considered the following factors in addition to the factors noted above:

- *No Future Participation in the Prospects of AMIC*. Following the consummation of the merger, the Unaffiliated Security Holders of AMIC will cease to participate in the future earnings or growth, if any, of the Surviving Corporation, or benefit from an increase, if any, in the value of their holdings in the Surviving Corporation;

Conflicts of Interests. Because Acquisition Co. owns 91.43% of AMIC immediately prior to the merger and the IHC Entities will own 100% of the Surviving Corporation as a result of the merger, the interests of the Filing Persons in determining the Stock Merger Price could be considered to be in conflict with, and adverse to, the interests of the Unaffiliated Security Holders of AMIC. Also, certain officers and directors of AMIC may have actual or potential conflicts of interest in connection with the merger. Some of the officers and directors of AMIC are also officers and directors of the Filing Persons. In addition, a director of IHC owns options to acquire AMIC Common Stock. Such director has agreed to recuse himself from any action taken by the IHC Board in connection with the merger;

Approval of the AMIC Stockholders and AMIC's Board of Directors. Because the merger is being effected pursuant to a "short-form" merger pursuant to Section 253 of the DGCL, it does not require approval by the stockholders of AMIC or AMIC's Board of Directors, and the Board of Directors of AMIC has therefore not approved or disapproved the merger. In addition, the AMIC Board does not need to consider strategic alternatives;

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- *No Special Committee Representing the Unaffiliated Security Holders' Interests.* AMIC's Board of Directors did not establish a special committee consisting of non-management, independent directors for the purpose of representing solely the interests of the Unaffiliated Security Holders of AMIC, nor did AMIC's Board of Directors retain independent advisors to assist with the evaluation of the fairness of the Stock Merger Price; and

- *No Inquiry as to Potential Buyers of AMIC.* Because the merger is being effected as a "short-form" merger pursuant to Section 253 of the DGCL, there is no requirement that the Filing Persons seek to determine if there is a buyer for all of AMIC that would be willing to pay a price per share in excess of the Stock Merger Price. Also, the Filing Persons believe that seeking to determine if any such buyer exists would only entail substantial time delays and serve as a distraction to the management of AMIC, and cause undue uncertainty with AMIC's employees, customers and suppliers.

Notwithstanding the foregoing factors, the Filing Persons believe that the merger is procedurally fair because the merger is being completed pursuant to and in compliance with Section 262 of the DGCL, pursuant to which the Unaffiliated Security Holders of AMIC will be entitled to exercise appraisal rights to receive a court-determined fair value of their shares if they believe the Stock Merger Price does not represent a fair value for their shares. See Item 4(c) "Terms of the Transaction — Appraisal Rights" on page 35 of this Schedule 13E-3. In addition, the Unaffiliated Security Holders of AMIC are receiving this Schedule 13E-3 and will receive the Notice of Merger and Appraisal Rights and Letter of Transmittal following consummation of the merger, which together will contain disclosures required under the DGCL and applicable securities laws and regulations that are designed to permit the Unaffiliated Security Holders of AMIC to determine whether to accept the Stock Merger Price or to exercise their appraisal rights with respect to their shares of Common Stock.

Overall Fairness Conclusion. After having given all of factors described in this section due consideration, the Filing Persons have concluded that none of these factors, alone or in the aggregate, is significant enough to outweigh the factors and analyses that the Filing Persons have considered to support their belief that the merger is substantively and procedurally fair to the Unaffiliated Security Holders of AMIC. Further, in view of the number and wide variety of factors considered in connection with making a determination as to the fairness of the merger to the Unaffiliated Security Holders of AMIC, and the complexity of these matters, the Filing Persons did not find it practicable to, nor did they attempt to, quantify, rank, or otherwise assign relative weights to the specific factors they considered. Rather, the Filing Persons conducted an overall analysis of the factors described above.

The Filing Persons have not considered any factors, other than as stated above, regarding the fairness of the merger to AMIC's Unaffiliated Security Holders.

REPORTS, OPINIONS, APPRAISALS AND NEGOTIATIONS

Preparer of Valuation Analysis

In establishing the Stock Merger Price, the IHC Board reviewed an analysis on the range of values of the Common Stock resulting from the application of generally accepted valuation and analytical techniques. The financial analysis, including the selection of valuation methodologies, was prepared by Duff & Phelps in a valuation analysis, dated June 14, 2016 ("Valuation Analysis") provided to the IHC Board on June 15, 2016. The full text of the Valuation Analysis is attached as Exhibit C to this Schedule 13E-3 and is incorporated herein by reference. The Valuation Analysis should be read carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and qualifications and limitations of the review undertaken in connection with the Valuation Analysis. Duff & Phelps has consented to the inclusion of the Valuation Analysis in its entirety and the description thereof in this Schedule 13E-3 and any other filing the Filing Persons are required to make with the SEC in connection with the merger if such inclusion is required by applicable law.

Duff & Phelps received a fee of $200,000 for such services. No part of such fee was contingent upon consummation of the merger. In addition, IHC agreed to reimburse Duff & Phelps for its reasonable out-of-pocket expenses related to its engagement.

Duff & Phelps is an independent valuation and corporate finance advisory firm with expertise in complex valuation, dispute and legal management consulting, M&A, restructuring, and compliance and regulatory consulting. Duff & Phelps was selected to provide the Valuation Analysis based upon its experience, expertise and familiarity with AMIC's business.

On February 1, 2016, IHC engaged Duff & Phelps as an independent financial advisor to IHC to provide the Valuation Analysis of the Common Stock in connection with the merger. See "Background of the Merger" on page 8 for a description of (i) the method of selection of Duff & Phelps, (ii) Duff & Phelps's relationship with the IHC Entities over the past two years and (iii) the mutually contemplated relationship in the future, along with the compensation received and to be received. Duff & Phelps consented to the references to the Valuation Analysis in this Schedule 13E-3, and to the availability of the Valuation Analysis to holders of the Common Stock. The Valuation Analysis in no way constituted, was described as or was relied upon by any party as a "fairness opinion" or a report, opinion or appraisal with respect to the fairness of a transaction involving AMIC or its outstanding securities or the fairness of the consideration to be paid for any of its outstanding securities in any such transaction, a solvency opinion, a credit rating, an analysis of AMIC's credit worthiness or otherwise as tax, legal or accounting advice. The summary of the Valuation Analysis set forth in this Transaction Statement is qualified in its entirety by reference to the Valuation Analysis. The Valuation Analysis does not reflect any developments that may occur or may have occurred after the date of the Valuation Analysis and prior to the completion of the merger. Further, the Valuation

Analysis is necessarily based on general economic, market, industry, financial and other conditions as they exist on, and on the information made available to Duff & Phelps as of, the date of the Valuation Analysis. Duff & Phelps took into account its assessment of the foregoing conditions and its experience in securities and business valuation. It is understood that subsequent developments may affect the results of the Valuation Analysis and that Duff & Phelps does not have any obligation to update, revise or reaffirm its Valuation Analysis. The IHC Entities do not currently expect that they will request an updated report from Duff & Phelps.

The Valuation Analysis was only one of many factors taken into consideration by the IHC Entities in making the determination of the Stock Merger Price. Consequently, the analyses described below should not be viewed as determinative of the opinion of the IHC Entities with respect to the equity value per share of the AMIC Common Stock. The IHC Entities also considered (i) historical and current market prices, (ii) volume-weighted average daily prices, (iii) the price paid in a privately negotiated arms' length transaction with an unaffiliated entity, and (iv) the effect of the sale of RS, which resulted in an estimated pro forma gain of $114 million.

IHC did not impose any limitations on the scope of Duff & Phelps's investigation or the procedures to be followed by Duff & Phelps in its Valuation Analysis. Duff & Phelps was not requested to and did not make any recommendation to the IHC Entities as to the form or amount of the consideration to be paid to AMIC's public stockholders. The Valuation Analysis is based on the financial and comparative analyses described below. The Valuation Analysis was directed to IHC for use in connection with the merger. Duff & Phelps's Valuation Analysis only addressed the range of values of the Common Stock and did not address any other aspect of the merger.

In conducting its financial analysis, Duff & Phelps reviewed, among other things:

- 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 RS 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 the three months ended March 31, 2016;
- AMIC's financial projections for the years 2016 through 2020 (the "Management Projections");
- Other internal documents relating to the history, current operations and probable future outlook of AMIC provided by management of IHC and AMIC; and
- Historical trading price and trading volume of publicly traded securities of certain other companies that Duff & Phelps deemed relevant.

In conducting its financial analysis, Duff & Phelps also:

- Discussed the information referred to above and the background of AMIC and other elements of the transaction with the management of IHC;
- Performed certain valuation and comparative analyses using generally accepted valuation and analytical techniques, including a discounted cash flow analysis and an analysis of selected public companies that Duff & Phelps deemed relevant; and
- Conducted such other analyses and considered such other factors as Duff & Phelps deemed appropriate.

For the purposes of the Valuation Analysis, Duff & Phelps defines "fair value" as that term is used under DGCL in the context of a statutory appraisal action pursuant to Section 262 of the DGCL. Duff & Phelps understands that the fair value of the AMIC Common Stock 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 merger), 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 Common Stock 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).

In performing its analysis and completing the Valuation Analysis, Duff & Phelps relied upon and assumed, without independent verification, 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 by or on behalf of the IHC Entities or AMIC, including management, or that was otherwise reviewed by Duff & Phelps, and did not assume any responsibility for independently verifying the accuracy, completeness or fairness of such information. With respect to the financial projections supplied to Duff & Phelps by AMIC, Duff & Phelps assumed that they were reasonably prepared on the basis reflecting the last currently available estimates, evaluations, and projections of management as to the future operating and financial performance of AMIC and on the good faith judgment of the person furnishing the same, and that they provided a reasonable basis upon which Duff & Phelps could perform its analyses. Duff & Phelps assumed that information regarding AMIC supplied, and representations made, by management of the IHC Entities or AMIC was substantially accurate.   All such projected financial information was based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in such projected financial information. To the extent that any of the foregoing assumptions or any of the facts on which the valuation is based provides to be untrue in any material respect, the Valuation Analysis and valuation cannot and should not be relied upon. Duff & Phelps did not make or obtain any independent evaluation, appraisal or physical inspection of AMIC's solvency or of any specific assets or liabilities (contingent or otherwise).

Duff & Phelps performed a variety of financial analyses that are summarized below. Such summary does not purport to be a complete description of such analyses. Duff & Phelps believes that its analyses and the summary set forth herein must be considered as a whole, and that selecting portions of such analyses and the factors considered therein, without considering all factors and analyses, could create an incomplete view of the Valuation Analysis. The preparation of a valuation analysis is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. The range of valuations resulting from any particular analysis described below should not be taken to be Duff & Phelps's view of the actual value of AMIC. In its analyses, Duff & Phelps made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of AMIC.

Any estimates contained in Duff & Phelps's analyses are not necessarily indicative of actual future values or results, which may be significantly more or less favorable than suggested by such estimates. Estimates of values of companies do not purport to be appraisals or necessarily reflect the actual prices at which companies or their securities actually may be sold. No company utilized by Duff & Phelps for comparative purposes are directly comparable to AMIC. Duff & Phelps does not have access to nonpublic information related to any of the companies used for comparative purposes. Accordingly, an analysis of the results described below is not mathematical; rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other facts that could affect the public trading value of the companies to which they are being compared. None of the analyses performed by Duff & Phelps was assigned a greater significance by Duff & Phelps than any other, nor does the order of analyses described represent relative importance or weight given to those analyses by Duff & Phelps. The analyses described below do not purport to be indicative of actual future results, or to reflect the prices at which the Common Stock may trade in the public markets, which may vary depending upon various factors, including changes in interest rates, dividend rates, market conditions, economic conditions and other factors that influence the price of securities.

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In accordance with customary advisory practice, Duff & Phelps employed generally accepted valuation and analytical techniques in its Valuation Analysis. The following is a summary of the material financial analyses that Duff & Phelps used in its Valuation Analysis. The summary data set forth below do not represent and should not be viewed by anyone as constituting conclusions reached by Duff & Phelps with respect to any of the analyses performed by it in connection with the Valuation Analysis. Accordingly, the data included in the summary tables and the corresponding imputed ranges of value for the Common Stock should be considered as a whole and in the context of the full narrative description of all of the financial analyses set forth in the following pages, including the assumptions underlying these analyses.

Summary of Valuation Analysis

Subject to the foregoing, the following is a summary of the material financial analyses undertaken by Duff & Phelps with respect to AMIC that resulted in a concluded per share price ranging from a low of $22.99 and a high of $24.74.

Discounted Cash Flow Analysis

Duff & Phelps performed a discounted cash flow ("DCF") analysis of AMIC in which it calculated 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. Duff & Phelps utilized and relied upon the Management Projections as well as discussions with IHC's and AMIC's management, a review of AMIC's historical performance and other factors to develop the discounted cash flow analysis.

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.

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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.

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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			
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

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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	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	18.3 x	15.1 x	13.7 x	2.53 x
Anthem, Inc.	$133.75	78.2	35,170	14.9	15.1	12.2		