

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 10-K/A**  
**Amendment No. 1**

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  
For the fiscal year ended **December 31, 2020**.

Transition Report under Section 13 or 15(d) of the Securities Exchange Act of 1934.  
For the transition period from: \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **001-32244**

**INDEPENDENCE HOLDING COMPANY**  
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

58-1407235

(I.R.S. Employer Identification No.)

96 CUMMINGS POINT ROAD, STAMFORD, CT

(Address of principal executive offices)

06902

(Zip Code)

Registrant's telephone number, including area code: **(203) 358-8000**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$1.00 par value	IHC	NYSE

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Non-Accelerated Filer

Accelerated Filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes  No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, as of June 30, 2020 was \$146,514,000.

As of April 30, 2021, there were 14,639,449 shares of Common Stock outstanding.

## EXPLANATORY NOTE

Independence Holding Company (“IHC”, the “Company” or “we”, “us” and “our”) is filing this Amendment No. 1 to Annual Report on Form 10-K/A (this “Amendment”) to amend the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission File Number 001-32244) (the “2020 Annual Report”), as filed by the Company with the Securities and Exchange Commission (the “SEC”) on March 16, 2021. The purpose of this Amendment is to include information required by Items 10, 11, 12, 13 and 14 to Part III within the period required by General Instruction G(3) to Form 10-K. We will also include this information in our proxy statement for our 2021 Annual Meeting of Shareholders. In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by the Company’s principal executive officer and principal financial officer are filed as exhibits to this Amendment.

No attempt has been made in this Amendment to modify or update the other disclosures presented in the 2020 Annual Report. This Amendment does not reflect events occurring after the filing of the original report (i.e., those events occurring after March 16, 2021) or modify or update those disclosures that may be affected by subsequent events. Accordingly, this Amendment should be read in conjunction with the 2020 Annual Report and the registrant’s other filings with the SEC.

### PART III

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The names of our executive officers and directors and their age, title, and biography as of March 31, 2021 are set forth below:

<u>Name</u>	<u>Age</u>	<u>Title</u>
Gary J. Balzofiore	63	Senior Vice President Specialty Health Operations
Vincent J. Furfaro	57	Senior Vice President Strategic Corporate Development & Chief Information Security Officer
Larry R. Graber	71	Chief Life and Annuity Actuary, Senior Vice President and Director
Teresa A. Herbert	59	Chief Financial Officer, Senior Vice President and Director
David T. Kettig	62	President, Chief Operating Officer and Director
Allan C. Kirkman	77	Director
John L. Lahey	74	Director
Steven B. Lapin	75	Director
Ronald I. Simon	82	Director
James G. Tatum	79	Director
Roy T.K. Thung	77	Chief Executive Officer and Chairman of the Board

Directors are elected annually and hold office until the next annual meeting of the stockholders of the Company or until their successors are elected. Officers are appointed annually and serve at the discretion of the Board of Directors.

#### ***Gary J. Balzofiore***

Since January 2019, Senior Vice President of Specialty Health Operations; from March 2012 until January 2019, Corporate Vice President – Accounting and Finance of IHC; from March 2012 until August 2016, Corporate Vice President – Accounting and Finance of American Independence Corp. (“AMIC”), formerly a public company traded on Nasdaq and majority-owned subsidiary of IHC that was merged out of existence on August 31, 2016; since March 2016, President of Standard Security Life Insurance Company of New York, a wholly owned subsidiary of IHC (“Standard Security Life”); for more than the past five years until March 2016, Executive Vice President and Chief Financial Officer of Standard Security Life; for more than the past five years, Chief Financial Officer and Senior Vice President of Independence American Insurance Company (“Independence American”), an indirect wholly owned subsidiary of IHC.

#### ***Vincent J. Furfaro***

Since January 2019, Senior Vice President Corporate Development & Chief Information Security Officer (“CISO”); from February 2018 to December 2018, Vice President Strategic Corporate Development and Chief Information Security Officer; from 2015 to February 2018, Vice President – Information Technology. From February 2018, CISO of Standard Security Life, Independence American and Madison National Life Insurance Company, Inc., an indirect wholly owned subsidiary of IHC (“Madison National Life”). For more than five years to February 2018, Vice President of Information Technology of Standard Security Life, Independence American and Madison National Life.

#### ***Larry R. Graber***

Since March 2012, Chief Life and Annuity Actuary and Senior Vice President of IHC; for more than five years prior thereto, Senior Vice President — Life and Annuities of IHC; for more than the past five years, a director and President of Madison National Life; since July 2018, a director of Independence American; for more than the past five years until October 2020, a director and President of Southern Life and Health Insurance Company, an insurance company with principal offices in Homewood, Alabama; for more than the past five years, a director of Standard Security Life.

The experiences, qualifications, attributes or skills that led the Board to conclude that Mr. Graber should serve as one of IHC's directors are his extensive experience in many facets of the insurance business, particularly relating to the acquisition and administration of blocks of life insurance.

***Teresa A. Herbert***

Since June 2019, Independent Non-Executive Member of the board of Directors of AVANGRID, Inc.; since July 2019, a member of the Audit and Compliance Committee of AVANGRID, Inc.; for more than the past five years, Chief Financial Officer and Senior Vice President of IHC; for more than the past five years, Vice President—Finance and Treasurer of GHI; for more than the past five years until August 2016, Chief Financial Officer and Senior Vice President of American Independence Corp., formerly a public company traded on Nasdaq and a majority-owned subsidiary of IHC that was merged out of existence on August 31, 2016 (“AMIC”); from March 2011 to August 2016, a director of AMIC; since 2016, a director of Standard Security Life and Independence American.

The experiences, qualifications, attributes or skills that led the Board to conclude that Ms. Herbert should serve as one of IHC's directors are her extensive financial and accounting experience and her experience with companies with complex organizational structures, intercompany transactions, diverse and complex business transactions, the insurance industry, and public companies.

***David T. Kettig***

Since September 25, 2017, President of IHC; for more than the last five years, a director of IHC; from April 1, 2016 to September 24, 2017, Executive Vice President of IHC; since February 2015, and Chief Operating Officer of IHC; from April 2009 to April 1, 2016, Chief Operating Officer and Senior Vice President of IHC; from August 2013 to August 2016, President of AMIC; from April 2009 to March 2012, Chief Operating Officer and Senior Vice President of AMIC; from March 2011 to August 2016, a director of AMIC; for more than the past five years, President and a director of IAIC; since April 2016, Chairman and Chief Executive Officer of Standard Security Life; for more than the past five years, a director of Standard Security Life.

The experiences, qualifications, attributes or skills that led the Board to conclude that Mr. Kettig should serve as one of IHC's directors are his extensive experience in diverse, complex businesses and transactions, corporate governance, legal affairs, risk management, and insurance.

***Allan C. Kirkman***

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

The experiences, qualifications, attributes or skills that led the Board to conclude that Mr. Kirkman should serve as one of IHC's directors are his extensive experience in diverse, complex businesses and transactions, including that involving public companies in the financial services fields.

***John L. Lahey***

For more than the past five years, a member of the Audit Committee and the Compensation Committee of IHC; since July 2018, President Emeritus and Professor of Logic and Philosophy at Quinnipiac University, a private university located in Hamden, Connecticut; from March 1987 to June 2018, President of Quinnipiac University; since 2010, a member of the Board of Trustees of Yale-New Haven Health Systems; between 1994 and December 2015, a director of the UIL Holdings Corporation, a publicly-held utility holding company with principal offices in New Haven, Connecticut; since December 2015, a director, Nominating, Governance and Compensation Committee member, and Executive Committee member of AVANGRID, Inc., a diversified energy and utility company with principal offices in New Haven, Connecticut that is the successor-in-interest by merger to UIL Holdings Corporation; since 2004, a director of Alliance for Cancer Gene Therapy, the only national non-profit organization committed exclusively to cancer gene and cell therapy research; from June 2006 to January 2017, a director of Standard Security Life.

The experiences, qualifications, attributes or skills that led the Board to conclude that Mr. Lahey should serve as one of IHC's directors are his extensive executive experience in major organizations and valuable expertise in management and corporate governance.

***Steven B. Lapin***

For more than the past five years, Vice Chairman of the Board of Directors of IHC; for more than the past five years, Chairman, Chief Executive Officer, President and a director of GHI; for more than the past five years, Chairman, Chief Executive Officer, President and a director of Geneve; for more than five years prior to August 2016, a director of AMIC; for more than the five years prior to November 2018, a director of Madison National Life; for more than the five years prior to October 2018, a director of Standard Security Life.

The experiences, qualifications, attributes or skills that led the Board to conclude that Mr. Lapin should serve as one of IHC's directors are his extensive experience in diverse, complex businesses and transactions, corporate governance of public companies, risk management and insurance.

***Ronald I. Simon***

Since November 2016, a director of IHC; since November 2017, a member of the Audit Committee of IHC; from January 2003 to August 2016, Chairman of the Compensation Committee of AMIC; from January 2005 to August 2016, a member of the Audit Committee of AMIC; from 2011 to August 2016, Chairman of the Audit Committee of AMIC; since August 2007, a director and member of the Audit and Compensation Committees, and until January 2021, Chairman of the Corporate Governance Committee, of Ellington Financial, Inc., a REIT specializing in acquiring and managing mortgage-related assets; since January 2021, Chairman of the Board and Chair of the Audit Committee, and a member of the Corporate Governance Committee of Ellington Financial, Inc.; since May 2013, a director and member of the Audit and Compensation Committees, and Chairman of the Corporate Governance Committee, of Ellington Residential Mortgage REIT.

The experiences, qualifications, attributes or skills that led the Board to conclude that Mr. Simon should serve as one of IHC's directors are his extensive experience in finance and senior management, and in growing successful organizations with entrepreneurial company cultures.

***James G. Tatum***

For more than the past five years, Chairman of the Audit Committee of IHC; for more than the past five years, member of the Compensation Committee of IHC; for more than the past five years, a director of Standard Security Life; for more than the past five years, sole proprietor of J. Tatum Capital, LLC, a registered investment advisor, located in Birmingham, Alabama, managing funds primarily for individual and trust clients; Chartered Financial Analyst for more than twenty-five years; from March 2011 until August 2016, a director of AMIC; from March 2011 until August 2016, a member of the Audit Committee of AMIC.

The experiences, qualifications, attributes or skills that led the Board to conclude that Mr. Tatum should serve as one of IHC's directors are his extensive executive experience in major organizations and valuable expertise with financial issues, risk management and oversight.

***Roy T.K. Thung***

Since September 2017, Chief Executive Officer and Chairman of the Board of IHC; since March 2011, Chief Executive Officer, President and Chairman of the Board of IHC; since January 2000, Chief Executive Officer of IHC; since July 1999, President of IHC; for more than five years prior to July 1999, Executive Vice President and Chief Financial Officer of IHC; for more than the past five years, Executive Vice President of Geneve; from July 2002 until August 2016, a director of AMIC; from November 2002 until March 2012, Chief Executive Officer and President of AMIC; from March 2012 until August 2016, Chief Executive Officer of AMIC; for more than the past five years prior to April 2016, Chief Executive Officer and Chairman of the Board of Standard Security Life; for more than the five years prior to October 2018, director of Standard Security Life; for more than the five years prior to November 2018, Chairman of the Board of Madison National Life.

The experiences, qualifications, attributes or skills that led the Board to conclude that Mr. Thung should serve as one of IHC's directors are his extensive experience in diverse, complex businesses and transactions, including involving public companies in the insurance industry, and executive and management experience.

## Family Relationships

None.

## Corporate Governance Documents

In furtherance of its longstanding goals of providing effective governance of IHC's business and affairs for the long-term benefit of stockholders and promoting a culture and reputation of the highest ethics, integrity and reliability, the Board has adopted:

- a Code of Business Ethics that applies to IHC's principal executive officer, principal financial officer, principal accounting officer or controller and other IHC employees performing similar functions (the "Code of Ethics");
- a Corporate Code of Conduct that applies to all employees, officers and directors of IHC and its subsidiaries and affiliates (the "Code of Conduct");
- Corporate Governance Guidelines ("Guidelines") to advance the functioning of the Board and its committees and set forth the Board's expectations as to how it should perform its functions; and
- written charters for its Audit and Compensation Committees of the Board (collectively, the "Charters").

The Code of Ethics, Code of Conduct, Guidelines and Charters can be found on IHC's website at [www.ihcgroup.com](http://www.ihcgroup.com), and are also available in print to any stockholder who requests them. The information on IHC's website, however, is not incorporated by reference in, and does not form part of, this annual report. The Board does not anticipate modifying the Code of Ethics or the Code of Conduct, or granting any waivers to either, but were any such waiver or modification to occur, it would promptly be disclosed on IHC's website.

## Audit Committee Financial Expert

The Board has determined that at least one member of the Audit Committee, Mr. Tatum, is an audit committee financial expert as such term is defined in Item 407(d)(5)(ii) of Regulation S-K promulgated by the SEC.

## Nomination of Director Candidates

In light of GHI's majority voting power, the Board has determined that the Board, rather than a nominating committee, is the most appropriate body to identify director candidates and select nominees for presentation at the annual meeting of stockholders. In making nominations, the Board seeks candidates with outstanding business experience who will bring such experience to the management and direction of IHC. The minimum criteria employed by the Board in its selection of candidates are set forth in the Guidelines, along with certain other factors that inform the selection process. All directors serving on the Board participate in the consideration of director nominees. Furthermore, in light of GHI's voting power, the Board has determined that no policy with respect to consideration of candidates recommended by security holders other than GHI's would be appropriate.

## Committees of the Board of Directors

### Committees

The Board has standing Audit and Compensation Committees. Committee memberships are as follows:

<u>Audit Committee</u>	<u>Compensation Committee</u>
Mr. James G. Tatum (Chairman)	Mr. Allan C. Kirkman (Chairman)
Mr. Allan C. Kirkman	Mr. John L. Lahey
Mr. John L. Lahey	Mr. James G. Tatum
Mr. Ronald I. Simon	

**Audit Committee.** The principal functions of the Audit Committee are to: (i) select an independent registered public accounting firm; (ii) review and approve management’s plan for engaging IHC’s independent registered public accounting firm during the year to perform non-audit services and consider what effect these services will have on the independence of IHC’s independent registered public accounting firm; (iii) review IHC’s annual financial statements and other financial reports which require approval by the Board; (iv) oversee the integrity of IHC’s financial statements, IHC’s systems of disclosure controls and internal controls over financial reporting and IHC’s compliance with legal and regulatory requirements; (v) review the scope of audit plans of IHC’s internal audit function and independent registered public accounting firm and the results of their audits; (vi) evaluate the performance of IHC’s internal audit function and independent registered public accounting firm; and (vii) assist the Board’s oversight of the Company’s overall risk management profile.

Each member of the Audit Committee meets the independence requirements of the New York Stock Exchange (the “NYSE”) and applicable SEC rules and regulations. The Audit Committee and the Board have determined that each member of the Audit Committee is financially literate and that Mr. Tatum and Mr. Simon qualify as “audit committee financial experts,” as such term is defined in Item 401(h)(2) of Regulation S-K promulgated by the SEC.

**Compensation Committee.** The Compensation Committee assists the Board in fulfilling its responsibilities with regard to compensation matters, is responsible for determining or ratifying (as the case may be) the compensation of IHC’s executive officers, and administers IHC’s 2016 Stock Incentive Plan, as amended. The Compensation Committee has sole authority to determine the compensation for IHC’s Chief Executive Officer.

### **Involvement in Certain Legal Proceedings**

Our directors and executive officers have not been involved in any of the following events during the past ten years:

1. any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him or her from or otherwise limiting his or her involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;
4. being found by a court of competent jurisdiction in a civil action, the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
5. being subject of, or a party to, any federal or state judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
6. being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

**ITEM 11. EXECUTIVE COMPENSATION**

**Summary Compensation Table**

The following table lists the annual compensation for IHC’s CEO and the two other most highly compensated executive officers for fiscal year ended 2020.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation		All Other Compensation (\$)	Total (\$)
							Earnings (\$)			
Mr. Roy T.K. Thung <i>Chief Executive Officer and Chairman</i>	2020	504,241	338,800	-	-	636,799 (1)	189,020 (2)	15,631 (3)		1,684,491
	2019	494,379	338,800	-	1,462,560 (4)	752,739	178,321	14,456		3,241,255
Mr. David T. Kettig <i>President and Chief Operating Officer</i>	2020	411,108	330,000	-	-	-	-	29,466 (5)		770,574
	2019	395,504	330,000	-	438,768 (4)	-	-	30,046		1,194,318
Ms. Teresa A. Herbert <i>Senior Vice President and Chief Financial Officer</i>	2020	323,485	200,000	-	-	-	-	21,421 (6)		544,906
	2019	317,970	200,000	-	393,063 (4)	-	-	24,842		935,875

- (1) Represents strategic and long-term incentive earnings as a result of Mr. Thung’s Employment Agreement with IHC for the year indicated. IHC is party to the Officer Employment Agreement by and between IHC and Mr. Roy T.K. Thung, IHC’s Chief Executive Officer and Chairman of the Board of Directors, dated as of May 11, 2011. Under the agreement, Mr. Thung is entitled to an incentive payment upon the disposition of a strategic asset of IHC equal to 3% of the amount above which the consideration received by IHC for such disposition exceeds the book value of such asset as of March 31, 2011. In addition, any termination of the agreement other than for “cause” triggers an incentive payment to Mr. Thung in respect of such appreciation in the overall book value of IHC. The initial term of Mr. Thung’s employment agreement was two years from the date it was entered into, but, by its terms, will be automatically extended for successive two-year periods unless one hundred twenty days’ prior notice of non-renewal is given by IHC. Mr. Thung received cash incentive payments of \$2,799 and \$29,739 in 2020 and 2019, respectively. Had the strategic and long-term incentive provisions of Mr. Thung’s agreement been triggered on December 31, 2020, Mr. Thung would have received \$6,462,000.
- (2) Represents the increase (decrease) in the value of Mr. Thung’s Retirement Benefits Agreement with IHC for the year indicated. Refer to Potential Payments to Named Executive Officers for additional information regarding this agreement.
- (3) The amount shown for 2020 represents reimbursements related to employer-matching contributions to Mr. Thung’s 401(k) account and group life insurance premiums paid on Mr. Thung’s behalf.
- (4) Represents the grant date fair value of options granted during 2019.
- (5) The amount shown for 2020 represents reimbursements related to the use of an automobile, employer-

matching contributions to Mr. Kettig's 401(k) account, group life insurance premiums paid on Mr. Kettig's behalf, and employer contributions to Mr. Kettig's disability insurance.

- (6) The amount shown for 2020 represents reimbursements related to the use of an automobile, employer-matching contributions to Ms. Herbert's 401(k) account, group life insurance premiums paid on Ms. Herbert's behalf, and employer contributions to Ms. Herbert's disability insurance.

### Outstanding Equity Awards at Fiscal Year-End

The following table sets forth for each named executive officer certain information about unexercised stock options and unvested shares of restricted stock held as of December 31, 2020.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Roy T.K. Thung	16,500	-	\$27.65	November 16, 2022	(1)	-
	82,500	-	\$27.65	November 16, 2022	(2)	-
	58,667	117,333	\$37.38	July 4, 2022	(3)	-
David T. Kettig	15,000	-	\$19.95	December 1, 2021	(4)	-
	11,000	-	\$27.65	November 16, 2022	(1)	-
	27,500	-	\$27.65	November 16, 2022	(2)	-
	17,600	35,200	\$37.38	July 4, 2022	(3)	-
Teresa A. Herbert	12,000	-	\$19.95	December 1, 2021	(4)	-
	11,000	-	\$27.65	November 16, 2022	(1)	-
	27,500	-	\$27.65	November 16, 2022	(2)	-
	15,767	31,533	\$37.38	July 4, 2022	(3)	-

- (1) Stock appreciation rights granted on November 16, 2017 vest in three equal installments beginning on November 16, 2018.
- (2) Stock options granted on November 16, 2017 vest in three equal installments beginning on November 16, 2018.
- (3) Stock options granted on January 4, 2019 vest in three equal installments beginning on January 4, 2020.
- (4) Stock options granted on December 1, 2016 vested in three equal installments beginning on December 1, 2017.

## **Potential Payments to Named Executive Officers Upon Termination or Change-in-Control.**

### ***With Mr. Thung***

IHC is party to a Retirement Benefits Agreement with Mr. Roy T.K. Thung, dated as of September 30, 1991, and amended by amendments dated as of December 20, 2002, June 17, 2005 and December 31, 2008, respectively, pursuant to which Mr. Thung is entitled to a lump-sum cash payment upon a “separation from service” from IHC of \$1,659,557, increasing on a cumulative, compounding basis of 6% per annum from December 31, 2008. “Separation from service” is as defined under U.S. Treasury Regulations 1.409A-1(h)(1), and would generally include Mr. Thung’s death, retirement or any other termination of employment, including permanent disability. For example, had this provision been triggered on December 31, 2020, Mr. Thung would have been entitled to receive a payment of \$3,339,355.

IHC is party to the Officer Employment Agreement by and between IHC and Mr. Roy T.K. Thung, IHC’s Chief Executive Officer and Chairman of the Board of Directors, dated as of May 11, 2011. Under this employment agreement, if Mr. Thung’s employment by IHC or its affiliate were to cease under certain circumstances, Mr. Thung would be entitled to receive a lump-sum severance amount equal to the average annual aggregate total compensation received by Mr. Thung during the preceding five years, adjusted *pro rata* for the applicable severance period. The applicable severance period would be the longer of: (i) twelve months; and (ii) a number of months equal to the aggregate number of years of service of Mr. Thung to IHC and its affiliates. The circumstances under which such severance would be paid are: (i) Mr. Thung’s employment by IHC being involuntarily terminated under circumstances that would not constitute “cause” (examples of “cause” being Mr. Thung’s material failure to follow IHC’s lawful directions, material failure to follow IHC’s corporate policies, breach of the non-compete covenants in the employment agreement or his engaging in unlawful behavior that would damage IHC or its reputation); (ii) such employment being voluntarily terminated under circumstances that would constitute “good reason” (examples of “good reason” being in connection with IHC’s material breach of its obligations under the employment agreement, IHC’s non-renewal of the employment agreement or change in control of IHC or its ultimate parent); or; (iii) upon Mr. Thung’s death or permanent disability. In addition, under the agreement, Mr. Thung is also entitled to strategic and long-term incentive payments which are included in the Summary Compensation Table above. The initial term of Mr. Thung’s employment agreement is two years from the date it was entered into, but, by its terms, it will be automatically extended for successive two-year periods unless one hundred twenty days’ prior notice of non-renewal is given by IHC. For example, had the severance provisions of Mr. Thung’s agreement been triggered on December 31, 2020, Mr. Thung would have been entitled to receive approximately \$69,919 per month for forty-three months (\$3,006,517 in the aggregate).

### ***With Mr. Kettig***

IHC is party to the Officer Employment Agreement, by and among IHC, Standard Security Life (which subsequently assigned the agreement to its affiliate AMIC Holdings, Inc.), and Mr. David T. Kettig, IHC’s President, and Chief Operating Officer, dated as of April 18, 2011 and amended on January 1, 2017. Under this employment agreement, if Mr. Kettig’s employment by AMIC Holdings, Inc. or its affiliate were to cease under certain circumstances, Mr. Kettig would be entitled to receive a severance amount equal to the average annual aggregate total compensation received by Mr. Kettig during the preceding five years, adjusted *pro rata* for the applicable severance period. The applicable severance period would be the longer of: (i) twelve months; or (ii) a number of months equal to the aggregate number of years of service of Mr. Kettig to IHC and its affiliates, not to exceed twenty-four months. The circumstances under which such severance would be paid are (i) Mr. Kettig’s employment by AMIC Holdings, Inc. being involuntarily terminated under circumstances that would not constitute “cause” (examples of “cause” being Mr. Kettig’s material failure to follow AMIC Holdings, Inc.’s or IHC’s lawful directions, material failure to follow AMIC Holdings, Inc.’s or IHC’s corporate policies, breach of the non-compete covenants in the employment agreement or his engaging in unlawful behavior that would damage AMIC Holdings, Inc., IHC or their respective reputations), or (ii) such employment being voluntarily terminated under circumstances that would constitute “good reason” (examples of “good reason” being in connection with AMIC Holdings, Inc.’s (or its successor’s) material breach of its obligations under the employment agreement or upon AMIC Holdings, Inc.’s non-renewal of the employment agreement). The initial term of Mr. Kettig’s employment agreement is two years from the date it was entered into, but, by its terms, it will be automatically extended for successive two-year periods unless one hundred twenty days’ prior notice of non-renewal is given by AMIC Holdings, Inc. For example, had the severance provision in Mr. Kettig’s agreement been triggered on December 31, 2020, Mr. Kettig would have been entitled to receive approximately \$69,672 per month for twenty-four months (\$1,672,128 in the aggregate).

### ***With Ms. Herbert***

IHC is party to the Officer Employment Agreement, by and between IHC and Ms. Teresa A. Herbert, IHC's Chief Financial Officer and Senior Vice President, dated as of April 18, 2011. Under this employment agreement, if Ms. Herbert's employment by IHC or its affiliate were to cease under certain circumstances, Ms. Herbert would be entitled to receive a severance amount equal to the average annual aggregate total compensation received by Ms. Herbert during the preceding five years, adjusted pro rata for the applicable severance period. The applicable severance period would be the longer of: (i) twelve months; and (ii) a number of months equal to the aggregate number of years of service of Ms. Herbert to IHC and its affiliates, not to exceed twenty-four months. The circumstances under which such severance would be paid are (i) Ms. Herbert's employment by IHC being involuntarily terminated under circumstances that would not constitute "cause" (examples of "cause" being Ms. Herbert's material failure to follow IHC's lawful directions, material failure to follow IHC's corporate policies, breach of the non-compete covenants in the employment agreement or her engaging in unlawful behavior that would damage IHC or its reputation), or (ii) such employment being voluntarily terminated under circumstances that would constitute "good reason" (examples of "good reason" being in connection with IHC's (or its successor's) material breach of its obligations under the employment agreement or upon IHC's non-renewal of the employment agreement). The initial term of Ms. Herbert's employment agreement is two years from the date it was entered into, but, by its terms, it will be automatically extended for successive two-year periods unless one hundred twenty days' prior notice of non-renewal is given by IHC. For example, had the severance provision in Ms. Herbert's agreement been triggered on December 31, 2020, Ms. Herbert would have been entitled to receive approximately \$51,051 per month for twenty-four months (\$1,225,224 in the aggregate).

### **Stock Incentive Plans**

Under the terms of IHC's stock incentive plans, the Compensation Committee may make appropriate provision for the holders of awards thereunder in the event of a change in control of IHC or similar event. The specifics of such an occurrence cannot be anticipated, and thus the prospective effect upon IHC cannot reliably be quantified.

### **Equity Compensation Plan Information**

The following table sets forth certain information as of the end of the most recently completed fiscal year with respect to compensation plans under which shares of IHC common stock may be issued.

#### **Equity Compensation Plan Information**

<b>Plan Category</b>	<b>Number of Shares to be Issued Upon Exercise of Outstanding Options</b>	<b>Weighted-Average Exercise Price of Outstanding Options</b>	<b>Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Shares Reflected in the First Column)</b>
Equity compensation plans approved by stockholders	786,380	\$32.16	368,599

## DIRECTORS' COMPENSATION

The general policy of the Board is that compensation for independent directors should be a mix of cash and equity. IHC does not pay management directors for board service in addition to their regular employee compensation. The Compensation Committee has the primary responsibility for reviewing and considering any revisions to director compensation.

During 2021, each non-employee (outside) director will be paid:

- an annual retainer of \$36,000;
- \$1,500 for each board or committee meeting attended;
- \$9,000 for service as chairman of a board committee; and
- 2,475 restricted shares of IHC common stock, vesting ratably over the three annual anniversaries of the award, and contingent upon continuing service as a director.

The following table summarizes compensation paid to IHC's directors during 2020 except for Mr. Roy T.K. Thung, IHC's Chief Executive Officer and Chairman of the Board, Mr. David T. Kettig, President and Chief Operating Officer, Mr. Larry R. Graber, Chief Life and Annuity Actuary and Senior Vice President, and Teresa A. Herbert, Chief Financial Officer and Senior Vice President, for whom compensation was previously discussed.

### Director Summary Compensation

Name	Fees Earned or Paid		Total (\$)
	in Cash (\$)	Stock Awards (\$)	
Mr. Allan C. Kirkman	67,500	105,485	172,985
Mr. John L. Lahey	68,500 (2)	105,485	173,985
Mr. Steven B. Lapin (1)	-	-	-
Mr. Ronald I. Simon	55,500	105,485	160,985
Mr. James G. Tatum	76,000 (2)	105,485	181,485

(1) Mr. Lapin received no compensation in connection with his service as an IHC director during 2020.

(2) Includes \$10,000 of compensation paid in 2020 by IHC Domain Holdings, LLC., a wholly owned subsidiary of IHC, for services as its director.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

### Directors and Executive Officers

The following table sets forth certain information concerning the number of shares of our common stock that is beneficially owned by each of our directors and each of our executive officers based on 14,639,449 issued and outstanding shares of common stock as of March 31, 2021.

Beneficial ownership is determined in accordance with SEC rules and generally includes voting or investment power with respect to securities. Other than as described in the notes to the table, we believe that all persons named in the table have sole voting and investment power with respect to shares beneficially owned by them. All share ownership figures include shares issuable upon exercise of options or warrants exercisable within 60 days of the date above, which are deemed outstanding and beneficially owned by such person for purposes of computing his or her percentage ownership, but not for purposes of computing the percentage ownership of any other person.

The address of each individual named below is c/o IHC at 96 Cummings Point Road, Stamford, Connecticut 06902.

<u>Name of Beneficial Owner</u>	<u>Number of Shares</u>	<u>Percent of Class</u>
Mr. Gary J. Balzofiore	69,706 (1)	*
Mr. Vincent J. Furfaro	35,000 (2)	*
Mr. Larry R. Graber	111,316 (3)	*
Ms. Teresa A. Herbert	151,888 (4)	1.0%
Mr. David T. Kettig	166,044 (5)	1.1%
Mr. Allan C. Kirkman	34,551	*
Mr. John L. Lahey	30,525	*
Mr. Steven B. Lapin	122,162 (6)	*
Mr. Ronald I. Simon	46,425 (7)	*
Mr. James G. Tatum	46,551	*
Mr. Roy T. K. Thung	436,352 (8)	2.9%
All directors, nominees for director and executive officers as a group (11 persons)	1,250,520	8.3%

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

- (1) Includes 39,334 shares of common stock underlying stock options exercisable within sixty (60) days from the date above.
- (2) Includes 35,000 shares of common stock underlying stock options exercisable within sixty (60) days from the date above
- (3) Includes 55,834 shares of common stock underlying stock options exercisable within sixty (60) days from the date above.
- (4) Includes 71,034 shares of common stock underlying stock options exercisable within sixty (60) days from the date above. Excludes the 9,145,226 shares of common stock held by Geneve Holdings, Inc., of which the named individual is an officer.
- (5) Includes 77,700 shares of common stock underlying stock options exercisable within sixty (60) days from the date above.
- (6) Excludes the 9,145,226 shares of common stock held by Geneve Holdings, Inc., of which the named individual is an officer and director.
- (7) Includes 36,425 shares of common stock held by the Simon Family Trust and 2,000 shares of common stock held in Mr. Simon's wife's IRA account, of which shares Mr. Simon disclaims beneficial ownership.
- (8) Includes 199,834 shares of common stock underlying stock options exercisable within sixty (60) days from the date above. Excludes the 9,145,226 shares of common stock held by Geneve Holdings, Inc., of which the named individual is an officer.

### **Significant Stockholders**

The following table sets forth certain information concerning the number of shares of our common stock that is beneficially owned by certain persons known by IHC to beneficially own more than five percent of the outstanding shares of IHC common stock, based on 14,639,449 issued and outstanding shares of common stock as of March 31, 2021.

Beneficial ownership is determined in accordance with SEC rules and generally includes voting or investment power with respect to securities. Other than as described in the notes to the table, we believe that all persons named in the table have sole voting and investment power with respect to shares beneficially owned by them. All share ownership figures include shares issuable upon exercise of options or warrants exercisable within 60 days of the date above, which are deemed outstanding and beneficially owned by such person for purposes of computing its percentage ownership, but not for purposes of computing the percentage ownership of any other person.

<u>Name</u>	<u>Number of Shares</u>	<u>Percent of Class</u>
Geneve Holdings, Inc. (1)	9,145,226	62.47%

(1) According to (i) information disclosed in Amendment No. 35 to Schedule 13D dated May 9, 2001 of Geneve Holdings, Inc. (“GHI”), a private diversified financial holding company. GHI is a member of a group consisting of itself and certain of its affiliates that together hold the shares of common stock of IHC. The address of GHI is 96 Cummings Point Road, Stamford, Connecticut 06902.

### **ITEM 13. CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

#### **Director Independence**

As a company listed on the New York Stock Exchange (the “NYSE”), IHC uses the definition of independence prescribed in the NYSE Listed Company Manual (the “Manual”). Each of Messrs. Kirkman, Tatum, Lahey and Simon meet such independence requirements. The Board has affirmatively determined that none of them had any material relationship described in Item 407(a) of Regulation S-K promulgated by the SEC with IHC at all applicable times during 2020.

IHC qualifies as a “controlled company,” as defined in Section 303A.00 of the Manual, because more than 50% of IHC’s voting power is held by GHI. Therefore, IHC is not subject to certain NYSE requirements that would otherwise require IHC to have: (i) a majority of independent directors on the Board (Manual Section 303A.01); (ii) compensation of IHC’s executive officers determined by a compensation committee composed solely of independent directors (Manual Section 303A.04); or (iii) director nominees selected, or recommended for the Board’s selection, by a nominating committee composed solely of independent directors (Manual Section 303A.05).

Of IHC’s directors, none of Ms. Herbert or Messrs. Graber, Kettig, Lapin or Thung is independent under the NYSE’s standards.

For each independent director, after reasonable investigations and in reliance on representations by such independent director to IHC, IHC believes there is no material transaction, relationship or arrangement described in Item 407(a) of Regulation S-K promulgated by the SEC between each such director not disclosed in this annual report under the caption “Certain Relationships and Related Transactions.”

#### **Transactions with Management and Other Relationships**

IHC and Geneve Holdings, Inc. (“GHI”), IHC’s controlling stockholder, operate under cost-sharing arrangements pursuant to which certain items are allocated between the two companies. During 2020, IHC paid GHI (or accrued for payment thereto) approximately \$416,000 under such arrangements, and paid or accrued an additional \$113,000 for the first quarter of 2021. Such cost-sharing arrangements include GHI’s providing IHC with the use of office space as IHC’s corporate headquarters for annual consideration of \$156,000 in 2020. The foregoing arrangement is subject to the annual review and approval of the Audit Committee, and IHC’s management believes that the terms thereof are no less favorable than could be obtained by IHC from unrelated parties on an arm’s-length basis.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The following table sets forth fees for services that RSM US LLP (“RSM”) provided to IHC during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Audit fees (1)	\$ 1,318,000	\$ 1,281,000
Audit-related fees	-	-
Tax fees	-	-
All other fees (2)	<u>20,000</u>	<u>20,000</u>
Total	<u>\$ 1,338,000</u>	<u>\$ 1,301,000</u>

- (1) *Audit Fees.* Represents fees for professional services provided for the audit of IHC’s annual financial statements, the review of IHC’s quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.
- (2) All other fees represent fees to RSM for the audit of the Company’s 401(k) plan.

The Audit Committee has determined that the provision of non-audit services by RSM is compatible with maintaining RSM’s independence. Any such engagement of RSM to provide non-audit services to IHC must be pre-approved by the Audit Committee.

## **Item 15. Exhibits and Financial Statement Schedules**

The following documents are filed as exhibits to this Amendment:

<u>Exhibit Number</u>	<u>Description of Document</u>
<a href="#">31.1</a>	Certification of Roy T.K. Thung
<a href="#">31.2</a>	Certification of Teresa A. Herbert
<a href="#">32.1</a>	Certification Roy T.K. Thung pursuant to 18 U.S.C. Section 1350
<a href="#">32.2</a>	Certification Teresa A. Herbert pursuant to 18 U.S.C. Section 1350

## **SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### **INDEPENDENCE HOLDING COMPANY**

By: /s/ Teresa A. Herbert  
Teresa A. Herbert  
Senior Vice President and Chief Financial Officer

April 30, 2021