

INDEPENDENCE HOLDING CO
Form DEFA14A
June 10, 2004

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the registrant [X]

Filed by a party other than the registrant []

Check the appropriate box:

[] Preliminary Proxy Statement.

[] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).

[] Definitive Proxy Statement

[X] Definitive Additional Materials

[] Soliciting Material Under Rule 14a-12.

INDEPENDENCE HOLDING COMPANY

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:
2. Aggregate number of securities to which transaction applies:
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

Fee paid previously with preliminary materials.

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

1. Amount Previously Paid:
2. Form, Schedule or Registration Statement No.:
3. Filing Party:
4. Date Filed:

On June 9, 2004, Independence Holding Company issued the following press release:

INDEPENDENCE HOLDING
COMPANY
HERBERT

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NASDAQ - INHO

NEWS RELEASE

INDEPENDENCE HOLDING COMPANY ANNOUNCES

SPECIAL 80% STOCK DIVIDEND AND AN 80% INCREASE IN ANNUAL CASH DIVIDEND

Stamford, Connecticut, June 9, 2004. Independence Holding Company ("IHC") (NASDAQ: INHO) today reported a special 80% stock dividend (e.g. a holder of 100 shares will receive 80 dividend shares for a total of 180 shares) and a \$.045 per share cash dividend payable to shareholders of record on June 18, 2004 with a distribution date of July 2, 2004. Fractional shares will be paid in cash in lieu of stock.

Roy T.K. Thung, Chief Executive Officer, commented, "This special 80% stock dividend is part of our continuing program to enhance liquidity for our shareholders, which we began with a special 10% stock dividend paid in August 2000. In addition, we are pleased to announce an 80% increase in our cash dividend. We expect that IHC's cash dividends will now be paid semi-annually in January and July, rather than once annually, and at the per annum rate of \$.05 per share which is the equivalent of \$.09 per share before giving effect to the 80% stock dividend. This enhanced dividend will commence with the cash dividend payable on July 2, 2004."

IHC is a holding company principally engaged in the life and health insurance business and the acquisition of blocks of policies through Standard Security Life Insurance Company of New York and Madison National Life Insurance Company, Inc. Standard Security Life sells employer medical stop-loss, long-term and short-term disability, and group life and managed health care products. Madison National Life sells group life and disability, employer medical stop-loss, credit life and disability and individual life insurance.

Some of the statements included herein may be considered to be forward looking statements which are subject to certain risks and uncertainties. Factors which could cause the actual results to differ materially from those suggested by such statements are described from time to time in IHC's filings with the Securities and Exchange Commission.