



www.independenceamerican.com

June 24, 2013

By SERFF

Missouri Department of Insurance
Attention: John M. Huff, Director
PO Box 690
Jefferson City, MO 65102-0690

RE: Independence American Insurance Company; NAIC #26581
Individual Major Medical Market Exit in Missouri

Dear Director Huff:

Pursuant to Missouri Statute 376.454, we are writing to notify the Missouri Department of Insurance that Independence American Insurance Company (“Independence American”) is exiting the individual major medical health insurance market in the State of Missouri effective December 31, 2013. This decision was prompted by the federal government’s passage of the Patient Protection Affordable Care Act (“PPACA”). The increased regulation will make it difficult for Independence American to continue to operate and compete meaningfully in Missouri’s individual major medical market after January 1, 2014.

Independence American’s market exit will affect thirteen (13) currently in-force Missouri insureds, who are covered under policy number IAIC GP 107, issued on a group basis to association based in Washington, D.C. The certificate form issued to the individuals and families covered under the group policy form and all forms marketed and/or issued in connection with it, i.e. applications, riders will no longer be marketed or renewed as of our December 31, 2013 market exit.

We enclose for the Department’s review a draft of our notice of discontinuation of coverage and market exit to our Missouri insureds (Exhibit A). The notice will be mailed to our insureds by late June 2013, providing the requisite 180 days prior notice to their coverage expiration.

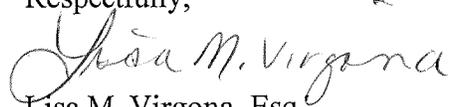
Independence American regrets its need to withdraw from Missouri’s individual major medical insurance market. We understand that market re-entry is prohibited for the five-year period commencing on our non-renewal date. Our intent is that we may re-enter the market someday, but, for now, Independence American’s concentration will be on those states where we ascertained the value of us staying in the individual and small group major medical market and on our many other insurance offerings, including employer excess loss, short-term medical, limited medical, critical illness, disability, life, dental and vision, amongst others. We trust our exit from Missouri’s individual major medical insurance market will not affect our license to

market any other products we currently market in Missouri or any we may choose to market in the future.

Within the next few days, Independence American will be sending Missouri and all other State Insurance Departments a notice informing them in which states nationwide we will be exiting the individual and/or small group major medical health insurance markets. This is being done across the board to satisfy the requirement of several states that every commissioner in each state in which the carrier is licensed and in each state in which a covered individual is known to reside be notified of our market exit.

If you have any questions or concerns about this submission, please feel free to contact me at (212) 355-4141 ext 3029 or by email at lvirgona@sslicny.com

Respectfully,

A handwritten signature in cursive script that reads "Lisa M. Virgona".

Lisa M. Virgona, Esq.
First Vice President, Legal/Compliance

Encls.: Exhibit A

Company Letterhead

EXHIBIT A

July 1, 2013

By regular mail

Insured Name
Address
Address

**Re: Independence American Insurance Company
Discontinuance of Your Coverage on: [insert Jan 2014 coverage end date]
Guaranteed Issue Coverage available by an Unaffiliated Carrier as of January 2014
Your Plan Number: ADD #**

**IMPORTANT NOTICE: THIS AFFECTS YOUR INSURANCE CONTRACT RIGHTS.
PLEASE READ CAREFULLY.**

Dear Mr./Ms. Add Last Name:

This notice is to inform you and any dependents that may be covered under your referenced major medical insurance coverage that Independence American Insurance Company ("Independence American") will be exiting the individual major medical insurance market in Missouri effective December 31, 2013. This decision was prompted by the increased regulation since the federal government's passage of its recent federal health care reform, commonly referred to as the Patient Protection Affordable Care Act ("PPACA"). The increased regulation will make it difficult for Independence American to continue to operate and compete meaningfully in Missouri's individual major medical market after January 1, 2014. As such, your referenced insurance coverage will terminate on [insert Jan 2014 coverage end date], or earlier if your premium is not received when due.

We are pleased to inform you that there are many options for you to secure health insurance coverage beginning on January 1, 2014. You may purchase insurance in the general marketplace or through the federal exchange. As brief background for you, PPACA mandates most residents of the United States to have health insurance beginning in 2014. PPACA created a new mechanism for purchasing insurance coverage called Exchanges, which are entities that have been or will be set up in states to create an organized and competitive market for health insurance for qualified individuals and employers. PPACA mandates the availability of major medical insurance on a guaranteed issue basis beginning on January 1, 2014 for coverage purchased on or off an Exchange. This means federal law prohibits insurance companies from denying major medical insurance to any one on the basis of their past or present medical conditions. Individuals like yourself will be able to obtain coverage, on a guaranteed acceptance basis and without underwriting, from any insurance company offering individual major medical insurance in your State either on or off the Exchange.

Provided below is contact information for the Missouri Department of Insurance for you to consider the option to purchase health insurance coverage on the Missouri Exchange. If you reside in a State other than Missouri, please refer to insurance companies offering coverage on or off the Exchange in your State.

Missouri Department of Insurance
PO Box 690
Jefferson City, MO 65102-0690
800-726-7390
consumeraffairs@insurance.mo.gov

Please remember that your health insurance with Independence American is effective through **[insert Jan 2014 coverage end date]**. It has been our pleasure to serve as your health insurer. If you have any questions or concerns, please feel free to contact us at 1-800-518-4510 or by email at questions@ihcgroup.com.

Sincerely,

INDEPENDENCE AMERICAN INSURANCE COMPANY