SECTION 240.14a-101 SCHEDULE 14A
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

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))
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-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:

....

INDEPENDENCE HOLDING COMPANY

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JUNE 20, 2003

To the Stockholders of
INDEPENDENCE HOLDING COMPANY:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of INDEPENDENCE HOLDING COMPANY (the 'Company') will be held on Friday, June 20, 2003 at 9:30 A.M., EDT, at the Hyatt Regency Greenwich, 1800 E. Putnam Avenue, Old Greenwich, Connecticut for the following purposes:

1. To elect seven directors of the Company;

2. To vote upon a proposal to ratify the selection of independent auditors;

3. To approve the 2003 Stock Incentive Plan; and

4. To transact such other business as may properly come before the meeting and any adjournment thereof.

Only stockholders of record at the close of business on April 30, 2003 are entitled to notice of, and to vote at, the Annual Meeting of Stockholders.

Your attention is directed to the Proxy Statement submitted with this notice. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, PLEASE DATE AND SIGN THE ENCLOSED FORM OF PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE. IN THE EVENT A STOCKHOLDER DECIDES TO ATTEND THE MEETING, SUCH STOCKHOLDER MAY REVOKE SUCH PROXY AND VOTE SUCH SHARES IN PERSON. No postage need be affixed to the enclosed envelope if mailed in the United States.

By Order of the Board of Directors

/s/ David T. Kettig

David T. Kettig
Secretary

April 30, 2003

INDEPENDENCE HOLDING COMPANY
96 CUMMINGS POINT ROAD
STAMFORD, CT 06902
203-358-8000

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Independence Holding Company (the 'Company') of Proxies to be used at the Annual Meeting of Stockholders to be held at the Hyatt Regency Greenwich, 1800 E. Putnam Avenue, Old Greenwich, Connecticut on June 20, 2003 at 9:30 A.M., EDT. In addition to solicitation of Proxies by mail, the directors, officers and employees of the Company may solicit Proxies personally, by telephone, telefax or telegram. The expense of all such solicitation, including the cost of preparing, printing and mailing this Proxy Statement, will be borne by the Company. The Company will, upon request, reimburse brokers, banks or other persons for their reasonable out-of-pocket expenses in forwarding proxy material to beneficial owners of the Company's shares. This Proxy Statement and the accompanying Proxy and the Company's Annual Report to Stockholders, which contains financial statements for the year ended December 31, 2002, will first be mailed to stockholders of the Company on or about May 16, 2003.

If the enclosed form of Proxy is executed and returned, it will be voted as directed by the stockholder. If no directions are given, Proxies will be voted (i) for election as directors of all of the nominees specified therein, (ii) for the ratification of the selection of KPMG LLP ('KPMG') as independent auditors for the calendar year 2003, and (iii) for the approval of the 2003 Stock Incentive Plan. A Proxy may be revoked at any time, insofar as the authority granted thereby has not been exercised at the Annual Meeting of Stockholders, by filing with the Secretary of the Company a written revocation or a duly executed Proxy bearing a later date. Any stockholder present at the meeting may vote personally on all matters brought before the meeting and, in that event, such stockholder's Proxy will not be used at the meeting by holders of the Proxy.

Only stockholders of record as of the close of business on April 30, 2003 will be entitled to vote at the meeting. On March 31, 2003, the Company had outstanding and entitled to one vote per share, 7,787,155 shares of Common Stock, par value $1.00 per share ('Common Stock'). An additional 1,997,501 shares of Common Stock are held in treasury by the Company and are not entitled to vote. A majority of the outstanding shares will constitute a quorum at the meeting. Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum for the transaction of business. Abstentions are counted in tabulations of the votes cast on proposals presented to stockholders, whereas broker non-votes are not counted for purposes of determining whether a proposal has been approved.

If no contrary instruction is indicated, shares represented by properly executed Proxies in the accompanying form of proxy will be voted by the persons designated in the printed portion thereof (i) FOR the election of the nominees named below to serve as directors for a one-year term, (ii) FOR the ratification of the selection of KPMG as independent auditors for the calendar year 2003, and (iii) FOR the approval of the 2003 Stock Incentive Plan. Each director must be elected by the affirmative vote of a plurality of the votes cast at the meeting by the holders of shares of Common Stock represented in person or by Proxy. Approval of KPMG as independent auditors requires the affirmative vote of a majority of the shares of Common Stock present or represented at the meeting. Approval of the 2003 Stock Incentive Plan requires the affirmative vote of the holders of at least a majority of the shares of Common Stock represented and voting, in person or by proxy, at the meeting.

Management does not know of any other matters to be brought before the meeting at this time; however, if any other matters are brought before the meeting, the proxy holder shall vote in his discretion with respect to the matter. In the event a stockholder specifies a different choice on the Proxy, such stockholder's shares will be voted or withheld in accordance with the specifications so made. Should any nominee for director named herein become unable or unwilling to accept nomination or election, it is intended that the persons acting under proxy will vote for the election of such other person as the Board of Directors of the Company may recommend unless the number of directors is reduced by the Board of Directors. The Company has no reason to believe that any nominee will be unable or unwilling to serve if elected to office.

PRINCIPAL STOCKHOLDERS

Listed below are the number of shares of Common Stock beneficially owned as of March 31, 2003 by the holders of more than 5% of the Common Stock of the Company.

	COMMON STOCK
Geneve Holdings, Inc.(1)	4,530,895

96 Cummings Point Road 58%
Stamford, Connecticut 06902

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(1) According to (i) information disclosed in Amendment No. 35 to Schedule 13D dated May 9, 2001 of Geneve Holdings, Inc. (together with its affiliates also referred to herein as 'Geneve') supplemented by (ii) information provided to the Company by Geneve in response to a Company questionnaire, a group consisting of Geneve and certain of its affiliates are the beneficial owners of 4,530,895 shares of Common Stock. Mr. Edward Netter, Chairman and a director of the Company, is an executive officer and a director of Geneve. Mr. Netter and members of his family control Geneve by virtue of his voting interest. Mr. Netter disclaims beneficial ownership as to the shares of Common Stock owned by Geneve.

To the best knowledge of the Company, Geneve has sole investment and voting power with respect to the shares listed above, and no other person or persons acting in concert own beneficially more than 5% of the Common Stock.

The following table sets forth for each director of the Company, the Chief Executive Officer and the four other most highly compensated executive officers of the Company for the year ended

December 31, 2002 (the 'Named Officers'), and for all directors and executive officers of the Company as a group, information regarding beneficial ownership of Common Stock as of March 31, 2003.

NAME	NUMBER OF SHARES	PERCENT OF CLASS ENTITLED TO VOTE
Alex Giordano................................	39,133(1)	*
Larry R. Graber..............................	43,452(2)	*
David T. Kettig..............................	34,834(3)	*
Allan C. Kirkman.............................	7,150(4)	*
Steven B. Lapin..............................	46,345	*
Edward Netter................................	(5)	--
Robert P. Ross, Jr.	94,081(6)	1.2%
C. Winfield Swarr............................	20,700(7)	*
Roy L. Standfest.............................	6,100	*
James G. Tatum...............................	6,550(8)	*
Roy T.K. Thung...............................	335,577(9)	4.2%
All directors and executive officers as a group (13 persons).........................	687,306(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	8.5%

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(1) Includes 38,583 shares of Common Stock subject to options granted to Mr. Giordano, all of which are exercisable within 60 days after March 31, 2003.

(2) Includes 37,258 shares of Common Stock subject to options granted to Mr. Graber, all of which are exercisable within 60 days after March 31, 2003.

(3) Includes 10,084 shares of Common Stock subject to options granted to Mr. Kettig, all of which are exercisable within 60 days after March 31, 2003.

(4) Includes 5,500 shares of Common Stock subject to options granted to Mr. Kirkman, all of which are exercisable within 60 days after March 31, 2003.

(5) As described in the table relating to Principal Stockholders, Geneve and certain of its affiliates are the beneficial owners of 4,530,895 shares of Common Stock, which represents 58% of the outstanding Common Stock as of March 31, 2003. Mr. Edward Netter, Chairman and a director of the Company, is an executive officer and a director of Geneve. Mr. Netter and members of his family control Geneve by virtue of his voting interest. Mr. Netter disclaims beneficial ownership as to the shares of Common Stock owned by Geneve.

(6) Includes 993 shares of Common Stock owned by Mr. Ross' wife, 91,000 shares owned by Starboard Partners, L.P., a limited partnership managed by an entity controlled by Mr. Ross ('Starboard L.P.'), and 1,650 shares of Common Stock subject to options granted to Mr. Ross, all of which are exercisable within 60 days after March 31, 2003. Mr. Ross disclaims beneficial ownership of the shares owned by his wife and Starboard L.P.

(7) Includes 11,700 shares of Common Stock subject to options granted to Mr. Swarr, all of which are exercisable within 60 days after March 31, 2003.

(8) Includes 700 shares owned by Mr. Tatum's wife, as to which shares Mr. Tatum disclaims beneficial ownership, and 550 shares of Common Stock subject to options granted to Mr. Tatum, all of which are exercisable within 60 days after March 31, 2003.

(footnotes continued on next page)

(footnotes continued from previous page)

(9) Includes 202,450 shares of Common Stock subject to options granted to Mr. Thung, all of which are exercisable within 60 days after March 31, 2003.

(10) Includes 6,084 shares of Common Stock subject to options granted to two executive officers, all of which are exercisable within 60 days after March 31, 2003.

* Represents less than 1% of the outstanding Common Stock.

PROPOSAL 1
NOMINEES FOR ELECTION AS DIRECTORS

Seven directors will be elected at the meeting, each to hold office until the next Annual Meeting of Stockholders and until such director's successor shall be elected and shall qualify.

It is intended that shares represented by Proxies will be voted for the election of the nominees named below. If, at the time of the meeting, any of the nominees should be unwilling or unable to serve, the discretionary authority provided in the Proxy will be exercised to vote for a substitute or substitutes, as the Board of Directors recommends. The Board has no reason to believe that any of the nominees will be unwilling or unable to serve as a director.

The persons named below have been nominated for election as directors. All of such nominees presently serve as directors of the Company.

LARRY R. GRABER, age 53
Director

Since January 2000, director of the Company; since April 1996 a director and President of Madison National Life Insurance Company, Inc., a wholly-owned subsidiary of the Company with principal offices in Middleton, Wisconsin; since April 1996, a director and President of Southern Life and Health Insurance Company, a wholly-owned insurance company with principal offices in Homewood, Alabama, which is a subsidiary of Geneve Corporation, a private diversified holding company with principal offices in Stamford, Connecticut, which is an affiliate of the Company ('Geneve').

ALLAN C. KIRKMAN, age 59
Director

Since December 1980, director of the Company; for more than the past five years, Executive Vice President of Mellon Bank, N.A., a national bank with principal offices in Pittsburgh, Pennsylvania.

STEVEN B. LAPIN, age 57
Vice Chairman
Director

Since July 1991, director of the Company; since July 1999, Vice Chairman of the Company; for more than five years prior to July 1999, President and Chief Operating Officer of the Company; for more than the past five years, President and Chief Operating Officer and a director of Geneve; since January 1998, a director of The Aristotle Corporation, a publicly held company with its principal executive offices in Stamford, Connecticut which is a leading manufacturer and global distributor of educational, health and agricultural products and is affiliated with the Company ('Aristotle').

EDWARD NETTER, age 70
Chairman
Director

Since December 1980, director of the Company; since August 1997, Chairman of the Compensation Committee; for more than the past five years, Chairman of the Company; for more than five years prior to January 2000, Chief Executive Officer of the Company; from December 1990 to November 1993, President of the Company; for more than the past five years, Chairman, Chief Executive Officer and director of Geneve; since January 1998, a director of Aristotle; since July 2002, a director of American Independence Corp., a holding company with principal offices in New York, New York which, through subsidiaries, is in the insurance and reinsurance business and is affiliated with the Company ('AMIC').

ROBERT P. ROSS, JR., age 60
Director

Since April 2000, director of the Company; for more than the past five years, President of The Starboard Capital Management Corporation, located in Houston, Texas, an unregistered investment advisor and general partner of Starboard Partners, L.P., a hedge fund for high net worth individuals and corporate clients; for more than five years prior to August, 2002, Chairman of GRO Corporation, a NASD registered broker/dealer located in Houston, Texas; since October 2002, a director of Rushmore Financial Group, Inc., a direct access technology development and online brokerage company.

JAMES G. TATUM, age 61
Director

Since April 2000, director of the Company; since June 2002, chairman of the Audit Committee; since June 2002, a director of Aristotle; for more than the past five years, registered investment advisor, located in Birmingham, Alabama, managing funds for individual, corporate and trust clients.

ROY T.K. THUNG, age 59
Chief Executive Officer, President and
Director

Since December 1990, director of the Company; since January 2000, Chief Executive Officer of the Company; since July 1999, President of the Company; for more than five years prior to July 1999, Executive Vice President and Chief Financial Officer of the Company; from May 1990 to November 1993, Senior Vice President, Chief Financial Officer and Treasurer of the Company; from June 1983 to December 1986, director of the Company; for more than the past five years, Executive Vice President of Geneve; since June 2002, a director of Aristotle; since July 2002, a director of AMIC; since November 2002, Chief Executive Officer and President of AMIC.

Between January 1, 2002 and December 31, 2002, the Board of Directors of the Company met five times. The Audit Committee of the Board, which exercises responsibility in respect of the recommendation of the Company's independent auditors, the review of such auditor's audit and recommendations concerning internal controls, met five times. All members of the Audit Committee meet the independence standards of the rules promulgated by the National Association of Securities Dealers. The Audit Committee currently consists of Messrs. Kirkman, Ross and Tatum. The Compensation Committee of the Board, which exercises responsibility in respect of recommendations concerning compensation matters, currently consists of Messrs. Kirkman, Netter and Tatum. The Compensation Committee met three times in 2002. The Executive Committee, which currently consists of Messrs. Netter, Kirkman and Thung, met once in 2002. Each director who has been nominated for election as a director attended at least 75% of the Board meetings and meetings of Committees on which such director served. Directors of the Company who are not also officers of the Company receive a monthly fee of $1,250 plus $400 for each Board or Committee meeting attended. Directors who are officers of the Company do not receive compensation for serving as directors of the Company.

Pursuant to the Company's 1988 Stock Incentive Plan, directors of the Company who are not also employees of the Company or a subsidiary ('Independent Directors') are each entitled to receive non-qualified stock options with respect to 550 shares of Common Stock at the first meeting of the Board of Directors following each Annual Meeting of Stockholders of the Company, which stock options vest six months after date of grant. Outstanding options granted at such 2002 Board meeting fully vested on December 21, 2002, and have an exercise price of $23.75 per share.

EXECUTIVE OFFICERS

In addition to Messrs. Lapin, Netter and Thung, listed above, who also serve as directors of the Company, set forth below are each executive officer's name, age, all positions and offices held with the Company, principal occupations and business experience during the past five years. Officers are elected by the Board of Directors, each to serve until his or her successor is elected and has qualified, or until his or her earlier resignation, removal from office or death.

ALEX GIORDANO, age 60
Vice President -- Marketing

Since February 2000, Vice President -- Marketing of the Company; for more than the past five years, Executive Vice President, Chief Marketing Officer and a director of Standard Security Life Insurance Company of New York, a wholly-owned subsidiary of the Company located in New York, New York ('Standard Security'); for more than the past five years, President and a director of Independence American Insurance Company, a wholly-owned subsidiary of AMIC located in New York, New York ('Independence American').

TERESA A. HERBERT, age 41
Vice President and Chief Financial Officer

Since July 1999, Chief Financial Officer of the Company; for more than five years prior to July 1999, Vice President and Controller of the Company; since March 1, 2001, Vice President of Geneve; since November 2002, Chief Financial

Officer of AMIC.

DAVID T. KETTIG, age 44
Vice President -- Legal and Secretary

For more than the past five years, Vice President -- Legal and Secretary of the Company; since October 1998, Senior Vice President and Chief Administrative Officer of Standard Security; for more than five years prior to July, 2002, Vice President -- Legal and Secretary of Geneve; since November 2002, Chief Operating Officer of AMIC.

BRIAN R. SCHLIER, age 48
Vice President -- Taxation

For more than the past five years, Vice President -- Taxation of the Company; for more than the past five years, Director of Taxation of Geneve; since November 2002, Vice President -- Taxation of AMIC.

ROY L. STANDFEST, age 39
Vice President -- Investments and Chief Investment Officer

Since April 1999, Vice President -- Investments and Chief Investment Officer of the Company; since April 1999, Vice President -- Investments and Chief Investment Officer of Geneve; since September 2000, Vice President -- Investments and Chief Investment Officer of Standard Security; since November 2002, Vice President -- Investments and Chief Investment Officer of AMIC; from September 1997 to March 1999, Vice President of Daiwa America Strategic Advisors Corporation, a proprietary fixed-income trading group affiliated with Daiwa Securities America with principal offices in New York, New York.

C. WINFIELD SWARR, age 62
Vice President and Chief Underwriting Officer

Since August 2000, Vice President and Chief Underwriting Officer of the Company; since August 2000, Senior Vice President and Chief Underwriting Officer of Standard Security; for more than five years prior to August 2000, Vice President and Accident and Health Underwriting Officer of General Reinsurance, a reinsurance company with principal offices in Stamford, Connecticut.

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following table sets forth compensation paid by the Company and its subsidiaries to the Named Officers for services rendered for the last three fiscal years.

		ANNUAL COMPENSATION			LONG TERM COMPENSATION AWARDS		LONG TERM COMPENSATION PAYOUT
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)	OTHER ANNUAL COMPENSATION ($)	RESTRICTED STOCK AWARDS ($)	SECURITIES UNDERLYING OPTIONS/SARS (#)	LTIP PAYOUT ($)
Roy T.K. Thung	2002	286,266	400,000	--	--	--	--
Chief Executive	2001	286,225	285,025	--	--	90,000	--
Officer and President	2000	286,199	285,025	--	--	--	--
David T. Kettig ...	2002	188,250	250,000	--	--	10,250	--
Vice President --	2001	188,250	192,000(2)	--	--	10,000	--
Legal and Secretary	2000	175,750	67,500	--	--	--	--
Alex Giordano	2002	172,200	247,760	--	--	13,000	--
Vice President --	2001	172,200	187,760(3)	--	--	15,000	--
Marketing	2000	165,000	40,000	--	--	8,250	--
C. Winfield	2002	177,800	114,240	--	--	5,000	--
Swarr	2001	177,800	53,340	--	--	--	--
Vice President -- Underwriting	2000	61,880	42,500	--	--	22,000	--
Roy L.	2002	151,437	123,770	--	--	--	--
Standfest	2001	161,535	137,585	--	--	--	--
Vice President -- Investments	2000	161,071	138,680	--	--	--	--

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(1) Amounts shown for 2000, 2001, and 2002 for all of the Named Officers include the dollar value of premiums paid for term life insurance. In addition, amounts shown for Mr. Thung include amounts accrued during 2000, 2001, and 2002 under a Retirement Benefit Agreement with the Company (described below under the heading 'Retirement Benefit Agreement'). The amounts shown for Messrs. Kettig and Giordano include profit-sharing contributions by Standard Security to their 401(k) accounts of (i) $3,596, $3,326, and $4,478, respectively, in 2000, 2001, and 2002 for Mr. Kettig and (ii) $4,800, $5,100, and $5,100 respectively, in 2000, 2001, and 2002 for Mr. Giordano. Mr. Giordano also received $1,440 in 2000, 2001, and 2002 as a car allowance. Certain of the Named Officers also received compensation and benefits during 2000, 2001, and 2002 from Geneve and/or its affiliates (other than the Company) for services rendered to such companies, which amounts are not included in this table. A portion of the salaries of certain of the Named Officers in 2002 was allocated to AMIC pursuant to a Service Agreement between the Company and AMIC.

(2) Includes $120,000 earned in 2001, but was not calculable

until 2002.

(3) Includes $137,760 earned in 2001, but was not calculable until 2002.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

The following table sets forth certain information concerning grants of stock options to the Named Officers who received grants during 2002.

INDIVIDUAL GRANTS

(a) NAME	(b) NUMBER OF SECURITIES UNDERLYING OPTIONS/SARS GRANTED (#)	(c) % OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES IN FISCAL YEAR	(d) EXERCISE OR BASE PRICE ($/SH)	(e) EXPIRATION DATE
Alex Giordano.........................	13,000	11.9%	16.90	2/18/07
David T. Kettig.......................	10,250	9.4%	16.90	2/18/07
C. Winfield Swarr.....................	5,000	4.6%	16.90	2/18/07

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(1) Present value determinations were made using the Black-Scholes model of theoretical options pricing, and were based on the following assumptions: (A) expected volatility is based on the one year period, calculated weekly, preceding the date of grant; (B) the risk-free rate of return is based on the 10 year U.S. Treasury Note yield to maturity as at the date of grant; (C) dividend yield assumes that the current dividend rate paid on the Common Stock continues unchanged until the expiration date of the options; and (D) a three-year phased-in vesting period that averages two years. The actual value a Named Officer receives is dependent on future stock market conditions, and there can be no assurance that the amounts reflected in column (f) of the Option/SAR Grants Table will actually be realized. No gain would be realized by a Named Officer without appreciation in the market value of the Common Stock, which would benefit all stockholders commensurately.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR END OPTION/SAR VALUES

The following table sets forth certain information concerning stock options and SARs of the Named Officers who had options or SARs at December 31, 2002.

(a) NAME	(b) SHARES ACQUIRED ON EXERCISE(#)	(c) VALUE REALIZED($)	(d) NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS/SARS AT FY-END(#) EXERCISABLE/ UNEXERCISABLE	(e) VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS/SARS AT FY-END($) EXERCISABLE/ UNEXERCISABLE
Alex Giordano.......................	-0-	-0-	16,500/33,500	222,998/231,4
David T. Kettig.....................	-0-	-0-	28,084/16,916	364,976/102,0
Roy L. Standfest....................	-0-	-0-	-0-/24,750	-0-/246,5
C. Winfield Swarr...................	-0-	-0-	22,000/5,000	191,180/22,8
Roy T.K. Thung......................	-0-	-0-	276,400/60,000	3,408,651/496,8

9

The following table gives information about the Company's common stock that may be issued upon exercise of options under the Company's only equity compensation plan existing as of December 31, 2002.

PLAN CATEGORY	(a) NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS	(b) WEIGHTED AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS($)	(c) NUMBER OF SE REMAINING AV FOR FUTURE I UNDER EQ COMPENSATIO EXCLUDING SE REFLECTED IN C
Equity compensation plans approved by security holders..........................	741,550	10.78	40,25

RETIREMENT BENEFIT AGREEMENT

In 1991, the Company entered into a retirement benefit agreement with Mr. Thung, which was amended in December 2002, pursuant to which he is entitled to receive cash payments, based upon his salary, at such time as he retires or otherwise terminates his employment with the Company. Such payments are fully vested. Assuming that his employment with the Company had terminated on December 31, 2002, Mr. Thung would have been entitled to receive approximately $720,000 which amount increases each year he remains employed by the Company until he attains age 62. Of such amount, approximately $59,500 was accrued in 2002.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors, which consists entirely of directors who meet the independence and experience requirements of NASDAQ, has furnished the following report:

The Audit Committee is responsible for providing independent, objective oversight of the Company's internal controls and financial reporting process. The Audit Committee operates under a written charter approved by the Board of Directors. Messrs. Kirkman and Ross joined the Audit Committee in March 2003.

In connection with these responsibilities, the Audit Committee met with both management and KPMG to discuss the December 31, 2002 financial statements. The Audit Committee discussed with KPMG their independence from the Company and its management, including the matters in the written disclosure and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees). In addition, the Audit Committee discussed with KPMG any matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees).

Based on these reviews and discussions, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002.

MEMBERS OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS:

ALLAN C. KIRKMAN   JAMES G. TATUM, Chairman   ROBERT P. ROSS, JR.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

Management's recommendations as to the form and level of compensation of the Company's executive officers are subject to the approval of the Compensation Committee of the Board of Directors. The Committee has not retained a compensation consultant. Mr. Tatum joined the Compensation Committee in March 2003.

The Company's compensation policies seek to attract and retain key executives necessary to the long-term success of the Company, to align compensation with both annual and long-term strategic plans and goals and to reward performance in the continued growth and success of the Company and in the enhancement of shareholder values. In furtherance of these goals, the Company has employed a combination of annual base salaries, which are set at levels which management believes to be competitive with industry and regional pay practices and economic conditions, and annual and longer term incentive compensation, including options to purchase Common Stock.

Management recommended to the Compensation Committee a bonus pool for the Company's employees (including the executive officers) based on the Company's performance in 2002 (including management's accomplishments in consummating the American Independence Corp. transaction, enhancing the insurance group's distribution network while improving its profitability, and strategically planning the direction of the Company). The amount of the 2002 bonus pool was approved by the disinterested members of the Committee. Specifically regarding the chief executive officer, Roy Thung, base salary has been determined by considering Company and individual performance. Mr. Thung's annual bonus payments are subject to approval by the disinterested members of the Compensation Committee.

MEMBERS OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS:

JAMES G. TATUM   EDWARD NETTER, Chairman   ALLAN C. KIRKMAN

PERFORMANCE GRAPH

Set forth below is a line graph comparing the five year cumulative total return of the Common Stock with that of the Nasdaq Stock Market (US) Index and the Nasdaq Stock Market Insurance Index.

COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN*
AMONG INDEPENDENCE HOLDING COMPANY, NASDAQ STOCK MARKET (U.S.) INDEX
AND NASDAQ INSURANCE STOCKS INDEX

	INDEPENDENCE HOLDING COMPANY	NASDAQ STOCK MARKET (U.S.) INDEX	NASDAQ INSURANCE STOCKS INDEX
1997	100	100	100
1998	117	141	89
1999	98	261	69
2000	125	157	87
2001	167	125	93
2002	199	86	94

* Assumes that dividends were reinvested and is based on a $100 investment on December 31, 1997; indices data obtained from Center for Research in Security Price (CRSP)

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RELATED PARTY TRANSACTIONS

The Company and Geneve operate under cost-sharing arrangements pursuant to which certain items are allocated between the companies. During 2002, the Company paid to Geneve or accrued for payment thereto approximately $255,000 under such arrangements, and paid or accrued approximately an additional $64,000 for the first quarter of 2003. Geneve also provides the Company the use of office space as its corporate headquarters for annual consideration of $236,000. In addition, certain directors, officers and/or employees of the Company or its subsidiaries, who are also directors, officers and/or employees of Geneve, received compensation and benefits from Geneve for services rendered thereto since January 1, 2002. The foregoing is subject to the approval of the Audit Committee of the Board of Directors at least annually, and management of the Company believes that the terms thereof are no less favorable than could be obtained by the Company from unrelated parties on an arm's length basis.

At various times since January 1, 2002, certain securities transfers were made between the Company and/or certain of its subsidiaries, on the one hand, and Geneve, on the other hand, at fair market value. The Company has invested as a limited partner in Dolphin Limited Partnership-A, an investment partnership. Mr. Donald Netter is the Chairman, Chief Executive Officer and President, and the indirect principal owner, of the managing member of the general partner of Dolphin Limited Partnership-A. Mr. Donald Netter is the son of Mr. Edward Netter. Pursuant to the terms of the Partnership Agreement, all limited partners are charged quarterly management fees, an annual performance-based incentive allocation and other defined expenses, which the Company believes to be comparable to other similar investment manangement vehicles with which it is familiar.

The board of directors recommends a vote 'FOR' proposal 1.

PROPOSAL 2
RATIFICATION OF APPOINTMENT OF AUDITORS

The Board of Directors has selected KPMG as the independent auditors of the Company for the year 2003. It is anticipated that representatives of KPMG, who also served as the Company's auditors for 2002, will be present at the Annual Meeting of Stockholders and will have an opportunity to make a statement if they so desire and to answer any appropriate questions.

The following table presents fees for professional audit services rendered by KPMG for the audit of the Company's annual financial statements for 2002, and fees billed for other services rendered by KPMG.

Audit fees, excluding audit related	$708,400
Financial information systems design and implementation	0
All other fees:	
Audit related fees(1)	28,700
Other non-audit services(2)	91,500
Total all other fees	$120,200

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(1) Researching issues related to the American Independence Corp. transaction.

(2) Other non-audit fees consisted of tax compliance and actuarial services.

The Audit Committee has considered whether the provision of these services is compatible with maintaining the independence of KPMG.

The board of directors recommends a vote 'FOR' proposal 2.

PROPOSAL 3
APPROVAL OF THE INDEPENDENCE HOLDING COMPANY
2003 STOCK INCENTIVE PLAN

The Company is submitting the Independence Holding Company 2003 Stock Incentive Plan (the '2003 Plan') to its stockholders for approval at the Annual Meeting. The purpose of the 2003 Plan is to enable the Company to continue to provide certain key persons, on whose initiative and efforts the successful conduct of the business of the Company depends, with incentives to enter into and remain in the service of the Company (or a Company subsidiary or joint venture), acquire a proprietary interest in the success of the Company, maximize their performance, and thereby enhance the long-term performance of the Company. The following discussion is qualified in its entirety by reference to the full text of the 2003 Plan, a copy of which is attached hereto as Exhibit A.

GENERAL DESCRIPTION OF THE 2003 PLAN

Awards. The 2003 Plan authorizes the grants of non-qualified stock options ('NQOs'), incentive stock options ('ISOs'), stock appreciation rights ('SARs') and shares of restricted stock (collectively, 'Awards'). Under the 2003 Plan, the Company may deliver authorized but unissued shares of its Common Stock ('Stock'), treasury shares of Stock, or shares of Stock acquired by the Company for the purposes of the 2003 Plan.

Maximum Number of Shares. A maximum of 350,000 shares of Stock will be available for grants pursuant to Awards under the 2003 Plan. The following shares of Stock shall again become available for Awards under the 2003 Plan: any shares that are subject to an Award under the 2003 Plan and that remain undelivered upon the cancellation or termination of such Award for any reason and any forfeited shares of restricted stock, provided that any dividends paid on such shares are also forfeited. The maximum number of shares of Stock with respect to which any individual may be granted Awards during any one calendar year is 100,000 shares.

Committee; Authority. The 2003 Plan will be administered by a Committee of the Board of Directors. The Committee is to consist of at least two individuals. It is intended that Committee members will be both an 'outside director' (within the meaning of 'SS'162(m) of the Internal Revenue Code (the 'Code') and a 'non-employee director' (as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934) or, if not, will recuse themselves as appropriate. If the Committee does not exist, or for any other reason determined by the Board of Directors, the Board of Directors may act for the Committee. The Committee or the Board of Directors may delegate to one or more officers of the Company the authority to designate the individuals (from among those eligible to receive Awards, other than such officer(s) themselves) who will receive Awards under the Plan, to the fullest extent permitted by the Delaware General Corporation Law (or any successor provision thereto), provided that the Committee shall itself grant awards to those individuals who could reasonably be considered to be subject to the insider trading provisions of 'SS'16 of the 1934 Act or whose awards could reasonably be expected to be subject to the deduction limitations of 'SS'162(m) of the Code. The Committee will determine the key persons who will receive Awards, the type of Awards granted, and the number of shares subject to each Award. The Committee also will determine the prices, expiration dates and other material features of Awards. The Committee has the authority to interpret and construe any provision of the 2003 Plan and to adopt such rules and regulations for administering the 2003 Plan as it deems necessary or appropriate. All decisions and determinations of the Committee are final and binding on all parties. No member of the Committee shall be liable for any action or determination made in good faith with respect to the 2003 Plan or any Award.

Eligibility. Any employee or director of and consultant to, the Company and its subsidiaries, as the Committee in its sole discretion shall select, are eligible to receive Awards under the 2003 Plan. As of December 31, 2002, the Company and its subsidiaries had 172 employees, all of whom would be eligible to participate in the Plan. However the granting of Awards is discretionary and it is not possible to determine how many individuals actually will receive Awards under the Plan.

Suspension, Discontinuance, Amendment. The Board of Directors may, at any time, suspend or discontinue the 2003 Plan or revise or amend it in any respect whatsoever. However, no amendment shall be effective without the approval of the stockholders of the Company if it would increase the number of shares of Stock which may be issued under the 2003 Plan, change the class of employees eligible to participate in the Plan, change the provisions relating to the exercise price of options, or if shareholder approval is required by law. No amendment or modification to the 2003 Plan or any Award may reduce the grantee's rights under any previously granted and outstanding Award without the consent of the grantee.

SUMMARY OF AWARDS AVAILABLE UNDER THE 2003 PLAN

Non-Qualified Stock Options. The exercise price per share of each NQO granted under the 2003 Plan will be determined by the Committee on the grant date and will not be less than the fair market value of a share of Stock on the date of grant. Each NQO will be exercisable for a term, not to exceed ten years, established by the Committee on the grant date. The exercise price shall be paid in cash or, subject to the approval of the Committee, in shares of Stock valued at their fair market value on the date of exercise or by means of a brokered cashless exercise. The 2003 Plan contains provisions applicable to the exercise of NQOs subsequent to a 'termination of employment,' as the result of a dismissal for 'cause,' a dismissal other than for 'cause,' 'disability' (as each such term is defined in the 2003 Plan), or death. In general, these provisions provide that options that are not exercisable at the time of such termination shall expire upon the termination of employment and options that are exercisable at the time of such termination shall remain exercisable until the earlier of the expiration of their original term and (i) in the event of a grantee's termination other than for cause, the expiration of three months after such termination of employment and (ii) in the event of a grantee's disability or death, the first anniversary of such termination. In the event of a dismissal for cause, all options held by such grantee, whether or not then exercisable, terminate immediately as of the commencement of business on the termination of employment date. In addition, if a grantee dies subsequent to a termination of employment but before the expiration of the exercise period with respect to an option or an SAR, then the Award shall remain exercisable until the first anniversary of the grantee's date of death (or the expiration of the original exercise period, if earlier).

Incentive Stock Options. Generally, ISOs are options that may provide certain federal income tax benefits to a grantee not available with NQOs. A grantee must hold the shares acquired upon exercise of an ISO for at least two years after the grant date and at least one year after the exercise date. The exercise price per share of each ISO must be at least the fair market value of a share of Stock on the grant date. An ISO will be exercisable for a maximum term, not to exceed ten years, established by the Committee on the grant date. The exercise price of an ISO will be paid in cash or, subject to the approval of the Committee, in shares of Stock valued at their fair market value on the exercise date or by means of a brokered cashless exercise. The aggregate fair market value of shares of Stock with

respect to which ISOs are exercisable for the first time by a grantee during any calendar year (determined on the grant date) under the 2003 Plan or any other plan of the Company or its subsidiaries may not exceed $100,000. An ISO granted to any individual who owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company is subject to the following additional limitations: the exercise price per share of the ISO must be at least 110% of the fair market value of a share of Stock at the time any such ISO is granted, and the ISO cannot be exercisable more than five years from the grant date.

In the event of a grantee's termination of employment, ISOs generally are exercisable to the same extent as described above with respect to NQOs. However, the definition of the term 'disability' in respect of ISOs may differ and no option that remains exercisable for more than three months following a grantee's termination of employment for any reason other than death or disability or the grantee's death within the three-month exercise period following the termination of employment, or for more than one year following a grantee's termination of employment as the result of disability, may be treated as an ISO. ISOs are not transferable other than by will or by the laws of descent and distribution.

Director Options. Each member of the Board of Directors who is not an employee of the Company shall automatically be granted an NQO with respect to 550 shares of Stock as of the first Board meeting immediately following the annual meeting of the shareholders. These options will vest six months after the date of grant and will have an exercise price equal to the fair market value of the Stock on the date of grant.

Stock Appreciation Rights. The Committee may grant SARs pursuant to the 2003 Plan. The exercise price of each SAR shall be such price as the Committee shall determine on the grant date. Each SAR shall be exercisable for a term, not to exceed ten years, established by the Committee on the grant date. The exercise of an SAR with respect to a number of shares entitles the grantee to an amount in cash, for each such share, equal to the excess of (i) the fair market value of a share of Stock on the date of exercise over (ii) the exercise price of the SAR. SARs may be granted as stand-alone awards or in connection with any NQO or ISO with respect to a number of shares of Stock less than or equal to the number of shares subject to the related option. The exercise of an SAR that relates to a particular NQO or ISO causes the cancellation of its related option with respect to the number of shares exercised. The exercise of an option to which an SAR relates causes the cancellation of the SAR with respect to the number of shares exercised. In the event of a grantee's termination of employment, SARs granted to the grantee are generally exercisable to the same extent as described above with respect to NQOs.

Restricted Stock. A grant of shares of restricted stock represents the promise of the Company to deliver shares of Stock on a predetermined date to a grantee, provided the grantee is continuously employed by the Company until that date. Prior to the vesting of the shares, the shares are not transferable by the grantee and are forfeitable. Vesting of the shares occurs on a later predetermined date if the grantee remains continuously employed by the Company until that later date. The Committee may, at the time shares of restricted stock are granted, impose additional conditions, such as the achievement of specified performance goals, to the vesting of the shares. Unvested shares of restricted stock are automatically and immediately forfeited upon a grantee's termination of employment for any reason.

TRANSFERABILITY

No Award is transferable other than by will or the laws of descent and distribution except to the extent an award agreement permits otherwise.

CERTAIN CORPORATE CHANGES

The 2003 Plan provides for an adjustment in the number of shares of Stock available to be delivered under the 2003 Plan, the number of shares subject to Awards, and the exercise prices of certain Awards, in the event of a change in the capitalization of the Company, a stock dividend or split, a merger or combination of shares and certain other similar events. The 2003 Plan also provides for the adjustment or termination of Awards upon the occurrence of certain corporate events.

TAX WITHHOLDING

The 2003 Plan provides that a grantee may be required to meet certain tax withholding requirements by remitting to the Company cash or through the withholding of shares otherwise payable to the grantee. In addition, the grantee may meet such withholding requirements, subject to certain conditions, by remitting previously acquired shares of Stock.

PERFORMANCE-BASED COMPENSATION

A federal income tax deduction will generally be unavailable for annual compensation in excess of $1 million paid to any of the five most highly compensated Officers of a public corporation. However, amounts that constitute 'performance-based compensation' under 'SS'162(m) of the Code are not counted toward the $1 million limit. If the 2003 Plan is approved by the Company stockholders, grants of NQOs, ISOs, and SARs generally would be eligible for this exception to the $1 million limit. The 2003 Plan authorizes the Committee to defer payment of Awards that do not qualify as performance-based compensation, generally until the grantee is no longer subject to the $1 million limit.

NEW PLAN BENEFITS

Since no Awards have been made under the 2003 Plan and since Awards under the 2003 Plan are wholly discretionary, amounts payable under the 2003 Plan are not determinable at this time. For information regarding certain awards made in respect of fiscal 2002 under the Independence Holding Company 1988 Stock Incentive Plan, see 'Executive Compensation -- Summary Compensation Table' and the Compensation