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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 5, 2019

Health Insurance Innovations, Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-35811	46-1282634
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

15438 N. Florida Avenue, Suite 201 Tampa, Florida	33613
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (813) 397-1187

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.001 par value	HIIQ	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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. [ ]

EXPLANATORY NOTE

On June 5, 2019, Health Insurance Innovations, Inc. (the "Company") and its subsidiary Health Plan Intermediaries Holdings, LLC ("HPIH") entered into a transaction (the "TogetherHealth Transaction") in which HPIH purchased 100% of the outstanding limited liability company interests of RxHelpline, LLC ("RXH"), TogetherHealth PAP, LLC ("THP"), and TogetherHealth Insurance, LLC ("THI" and, collectively with RXH and THP, the "Targets") pursuant to a Membership Interest Purchase Agreement dated June 5, 2019 between the Company, HPIH, the Targets, TogetherHealth Soup, L.P., and certain principals of the Targets. On June 7, 2019, the Company filed a Current Report on Form 8-K describing the TogetherHealth Transaction and stating that the financial statements and pro forma financial information, if any, required under Item 9.01 would be filed within 71 calendar days after the date on which the Current Report on Form 8-K was required to be filed. This amended Current Report on Form 8-K/A contains the required financial statements and pro forma financial information.

Item 9.01. Financial Statements and Exhibits

(a) *Financial Statements of Business Acquired*.

TogetherHealth Insurance, LLC and affiliated companies audited combined financial statements as of and for the year ended December 31, 2018 are attached hereto as Exhibit 99.2. TogetherHealth Insurance, LLC and affiliated companies unaudited financial statements for the three months ended March 31, 2019 and 2018 are attached hereto as Exhibit 99.3.

(b) *Pro Forma Financial Information*.

The unaudited pro forma combined financial information for the Company, after giving effect to the TogetherHealth Transaction and the adjustments described in such pro forma financial information, is attached hereto as Exhibit 99.4.

(c) *Exhibits*.

Exhibit No.	Description
2.1	Membership Interest Purchase Agreement dated June 5, 2019 by and among Health Insurance Innovations, Inc., Health Plan Intermediaries Holdings, LLC, RxHelpline, LLC, TogetherHealth PAP, LLC, TogetherHealth Insurance, LLC, TogetherHealth Soup, L.P. and solely for the purposes specified herein, Mark Longaro, Robert Gregg and Jason Buchwald (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on June 7, 2019).*
10.1	Credit Agreement dated June 5, 2019 among Health Plan Intermediaries Holdings, LLC, as the Borrower, Health Insurance Innovations, Inc., as the Parent, the subsidiaries of Parent identified therein, as the Guarantors, Bank of America, N.A., as Administrative Agent, Swingline Lender and L/C Issuer, SunTrust Bank as Syndication Agent, Royal Bank of Canada as Co-Documentation Agent and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 7, 2019).*
10.2	Security and Pledge Agreement dated June 5, 2019 among the parties identified as Obligors hereunder and Bank of America, N.A., in its capacity as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 7, 2019).*

99.1	Press Release dated June 6, 2019 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on June 7, 2019)
99.2	TogetherHealth Insurance, LLC and affiliated companies audited consolidated financial statements as of and for the year ended December 31, 2018.
99.3	TogetherHealth Insurance, LLC and affiliated companies unaudited consolidated financial statements for the three months ended March 31, 2019 and 2018.
99.4	Unaudited pro forma combined financial information for Health Insurance Innovations, Inc., after giving effect to the TogetherHealth Transaction and the adjustments described in such pro forma financial information.

* Certain schedules and attachments have been omitted from this exhibit pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule or attachment to the Securities and Exchange Commission upon its request.

Forward-Looking Statements

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than historical fact, and may include statements relating to goals, plans and projections regarding new markets, products, services, growth strategies, anticipated trends in the Company's business and anticipated changes and developments in the United States health insurance system and laws. Forward-looking statements are based on the Company's current assumptions, expectations and beliefs and are generally identifiable by use of the words "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," or similar expressions and involve significant risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by these statements. These risks and uncertainties include, among other things, the Company's ability to maintain relationships and develop new relationships with health insurance carriers and distributors, the Company's ability to retain our members, the demand for products offered through the Company's platform, regulatory oversight and examinations of the Company and its carriers and distributors, legal and regulatory compliance by the Company's carriers and distributors, the amount of commissions paid to the Company or changes in health insurance plan pricing practices, competition, changes and developments in the United States health insurance system and laws, and the Company's ability to adapt to them, the ability to maintain and enhance the Company's name recognition, difficulties arising from acquisitions or other strategic transactions, and the Company's ability to build the necessary infrastructure and processes to maintain effective controls over financial reporting. These and other risk factors that could cause actual results to differ materially from those expressed or implied in the Company's forward-looking statements will be discussed in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission as well as other documents that may be filed by the Company from time to time with the Securities and Exchange Commission, which are available at www.sec.gov. Any forward-looking statement made by the Company in this Current Report on Form 8-K is based only on information currently available to the Company and speaks only as of the date on which it is made. You should not rely on any forward-looking statement as representing the Company's views in the future. The Company undertakes no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HEALTH INSURANCE INNOVATIONS, INC.

By: */s/ Michael D. Hershberger*
Name: Michael D. Hershberger
Title: Chief Financial Officer

Date: August 21, 2019

Combined Financial Statements and Report of Independent Certified Public Accountants
TogetherHealth Insurance, LLC and affiliated companies
As of and for the Year Ended December 31, 2018

INDEX TO FINANCIAL STATEMENTS

TogetherHealth Insurance, LLC and affiliated companies

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors

TogetherHealth Insurance, LLC and affiliated companies

We have audited the accompanying combined financial statements of TogetherHealth Insurance, LLC (a Delaware limited liability company) and affiliated companies, which comprise the combined balance sheet as of December 31, 2018 and the related combined statements of income, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of TogetherHealth Insurance, LLC and affiliated companies as of December 31, 2018, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

Tampa, Florida
August 21, 2019

TogetherHealth Insurance, LLC and affiliated companies
Combined Balance Sheet
As of December 31, 2018

Assets		
Current assets:		
Cash and cash equivalents	$	1,856,924
Accounts receivable		1,774,468
Other current assets		178,396
Total current assets		3,809,788
Property, plant and equipment		15,310
Total assets	$	3,825,098
Liabilities and members' equity		
Current liabilities:		
Accounts payable and accrued expenses	$	244,146
Total current liabilities		244,146
Total liabilities		244,146
Commitments and contingencies		
Member's equity		3,580,952
Total liabilities and member's equity	$	3,825,098

The accompanying notes are an integral part of the combined financial statements

TogetherHealth Insurance, LLC and affiliated companies
Combined Statement of Income
Year Ended December 31, 2018

Revenues	$	35,991,252
Operating expenses:		
Advertising		23,766,422
Selling, general and administrative		2,673,741
Customer care and enrollment		1,572,427
Total operating expenses		28,012,590
Net income	$	7,978,662

The accompanying notes are an integral part of the combined financial statements

TogetherHealth Insurance, LLC and affiliated companies
Combined Statement of Member's Equity
Year Ended December 31, 2018

Balance, January 1, 2018	$	216,815
Net income		7,978,662
Distributions		(4,614,525)
Balance, December 31, 2018	$	3,580,952

The accompanying notes are an integral part of the combined financial statements

TogetherHealth Insurance, LLC and affiliated companies
Combined Statement of Cash Flows
Year Ended December 31, 2018

Operating activities:		
Net income	$	7,978,662
Changes in operating assets and liabilities:		
Increase in accounts receivable and other assets		(1,283,603)
Decrease in accounts payable and accrued expenses		(309,509)
Net cash provided by operating activities		6,385,550
Investing activities:		
Purchases of property and equipment		(7,976)
Net cash used in investing activities		(7,976)
Financing activities:		
Distributions to members		(4,614,525)
Net cash used in financing activities		(4,614,525)
Net increase in cash and cash equivalents		1,763,049
Cash and cash equivalents at beginning of period		93,875
Cash and cash equivalents at end of period	$	1,856,924

The accompanying notes are an integral part of the combined financial statements

1. Description of Business, Basis of Presentation, and Summary of Significant Accounting Policies

In this report, unless the context suggests otherwise, references to the “Company,” “we,” “us” and “our” refer to TogetherHealth Insurance, LLC (“THI” or “Medicare Commission Business”), TogetherHealth PAP, LLC (“THP” or “Consumer Engagement Business”) and RxHelpline, LLC (“RxH” and, collectively with THI and THP, “TogetherHealth”). The terms “THI,” “THP” and “RxH” refer to the respective stand-alone entities.

Business Description

Consumer Engagement Business

THP’s primary business is a direct-to-consumer platform connecting individuals with U.S. insurance carriers through consumer acquisition and engagement services primarily serving the Medicare insurance market through inbound live telephone calls. THP utilizes a third-party telephony platform which transfers inbound calls to distributors in real-time. The Company typically receives a fixed rate for each inbound call that meets agreed upon standards (“valid inbound call”). THP also routes inbound calls to THI’s business process outsourcing partner (“BPO”), who maintains the carrier relationship and sells Medicare-related health insurance plans on our behalf. Medicare-related products include Medicare Advantage, Medicare Supplement, and Medicare Part D prescription drug plans.

Medicare Commissions Business

In November 2017, the Company began operations for THI, a health insurance agency specializing in Medicare-related health insurance plans, including Medicare Advantage, Medicare Supplement, and Medicare Part D prescription drug plans. The Company has a contract with our BPO for our insurance agency operations. The Company contracts our BPO, who maintains the carrier relationship, to provide us with dedicated call center staff for routed inbound calls from THP. This dedicated team of sales agents sell Medicare-related products on our behalf. We are not an insurer and do not process or pay claims. We assume no underwriting, insurance, or reimbursement risk.

Principles of Combination and Basis of Presentation

The accompanying combined financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The TogetherHealth entities are under common control and management, therefore all intercompany balances and transactions have been eliminated in preparing the combined financial statements. In the opinion of management, all adjustments, including normal recurring adjustments, necessary for a fair statement of the combined financial statements as of and for the year ended December 31, 2018 have been recorded.

Use of Estimates

The preparation of the combined financial statements in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements. These estimates also affect the reported amounts of revenue and expenses during the reporting periods. Actual results could differ materially from those estimates.

Summary of Significant Accounting Policies

Cash and Cash Equivalents

We account for cash on hand and demand deposits with banks and other financial institutions as cash. Short-term, highly liquid investments with original maturities of three months or less, when purchased, are considered cash equivalents. Investments in cash equivalents include, but are not limited to, demand deposit accounts, money market accounts and certificates of deposit with original maturities of three months or less.

Accounts Receivable

Accounts receivable represent amounts due to us for commissions and consumer engagement sales to third-party vendors and are generally considered delinquent 30 days after the due date. We have not experienced any material credit losses from accounts receivable and have not recognized a provision for uncollectible accounts.

Fair Value Measurements

The Company's financial instruments include cash, accounts receivable, and accounts payable and accrued expenses. The carrying amount of cash, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments.

Revenue Recognition

The Company's revenue is principally derived from the sale of consumer inbound calls to distributors and commissions revenue. The Company recognizes revenue when: (1) persuasive evidence exists of an arrangement with the customer reflecting the terms and conditions under which products or services will be provided; (2) delivery has occurred or services have been provided; (3) the fee is fixed or determinable; and (4) collection is reasonably assured. Revenue is considered earned when the performance measures have been completed.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. Advertising and marketing expenses for the year ended December 31, 2018 were approximately $23.8 million and are classified as Advertising on the combined statement of income.

Customer Care and Enrollment Costs

Customer care and enrollment costs consist of costs associated with customer service related activities and labor and administrative charges associated with sales and enrollment of the insurance products sold by THI's BPO. Customer care and enrollment expenses for the year ended December 31, 2018 were approximately $1.6 million.

Concentrations of Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. A significant portion of the Company's cash and cash equivalents is held at one large reputable financial institution. The Company is exposed to credit risk in the event of default by the financial institution to the extent that cash balances with the financial institution is in excess of amounts that are insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts.

For the year ended December 31, 2018, the Company had three customers that accounted for approximately 82% of our revenue. Two customers represented 92% of accounts receivable at December 31, 2018.

Accounting for Income Taxes

The TogetherHealth entities are pass-through entities for federal and state income tax purposes and as such, profits are not taxed at the Company level. The pass-through taxation method flows the profits and losses of the Company to the partners, who report their shares on their individual tax returns. Their shares of member profits and losses are determined by their respective membership agreements and are generally proportionate to their percentages of business ownership.

The Company follows the provisions of ASC 740, Income Taxes, which recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Increases or decreases to the unrecognized tax benefits could result from management's belief that a position can or cannot be sustained upon examination based on subsequent information or potential lapse of the applicable statute of limitations for certain tax positions. No amounts of unrecognized tax benefits have been recorded in the Company's combined financial statements as of December 31, 2018. Penalties or interest that may be assessed related to any income taxes would be classified in selling, general, and administrative expense in the combined statement of income.

Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) which amended revenue recognition standards. The standard is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, new and enhanced disclosures are required. For nonpublic entities, the standard becomes effective for annual reporting periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. As such, for us, the new standard is effective for the year ending December 31, 2019 and for interim periods in the year ending December 31, 2020. We have not completed our assessment of the standard and have not yet determined the impact of adoption on our combined financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), further updated by ASU No. 2018-10, which modifies lease accounting for lessees to increase transparency and comparability by requiring organizations to recognize lease assets and lease liabilities on the balance sheet and increasing disclosures about key leasing arrangements. The amendment updates the critical determinant from capital versus operating to whether a contract is or contains a lease because lessees are required to recognize lease assets and lease liabilities for all leases - financing and operating - other than short term. The amendments in this update are effective for private entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. We will adopt this guidance on January 1, 2020. We have not completed our assessment of the new lease standard and have not yet determined the impact of adoption on our combined financial statements.

The Company has reviewed all other recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on our financial statements.

2. Accounts Receivable

As of December 31, 2018, the Company had approximately $1.8 million in accounts receivable on the combined balance sheet. Amounts generally relate to trade accounts receivable, primarily related to commissions earned by THI or consumer engagement sales made by THP. At December 31, 2018, $1.4 million related to a receivable from our BPO for accrued commissions. There were no allowances made for uncollectible accounts as of December 31, 2018.

3. Equity

THI, THP and RxH are organized as limited liability companies with the same member holding all ownership interests for each limited liability company.

4. Revenue

The Company sells consumer engagement services utilizing a third-party telephony platform which transfers inbound calls to distributors in real-time. A valid inbound call for which the Company earns revenue is one that meets the minimum standards contractually agreed upon with the distributor, which is usually based on a minimum call length. The customer collects inbound call conversion data and provides the Company with periodic reporting. Revenue for valid inbound calls is recognized based on the contractually agreed price per valid inbound call multiplied by the number of valid inbound calls supplied during the period.

In November 2017, the Company formed THI, who specializes in the sale of Medicare-related plans through our BPO relationship for which THI earns commissions revenue. Commissions are paid to the Company by the BPO at contractually agreed upon rates depending on the type of Medicare-related product sold. We earn commission revenue for Medicare Advantage and Medicare Part D prescription drug plans until the policy is canceled. We recognize commission revenue for both Medicare Advantage and Medicare Part D prescription drug plans for the entire plan year once the annual commission amount for the plan year is reported to us by the BPO, net of an estimate for future forfeiture amounts due to cancellations. For the year ended December 31, 2018, THI recognized approximately $2.1 million of commissions revenue.

5. Advertising Expense

The Company engages in marketing and advertising activities across various media. THP primarily utilizes television based advertising to reach the end-consumer for the consumer engagement business. Advertising expense includes the cost of television commercial spots and endorsements paid to celebrity spokespersons.

6. Selling, General, and Administrative Expenses

Selling, general and administrative (“SG&A”) expenses include items such as executive compensation and benefits, professional fees, business travel and office costs. Other general and administrative expenses include items for our administrative functions and include costs for items such as office rent, supplies, insurance, legal, accounting, tax, telephone and other outside services. SG&A consisted of the following for the year ended December 31, 2018:

Salaries and related expenses	$	947,714
Professional fees		132,649
Other general and administrative		1,593,378
Total selling, general, and administrative expenses	$	2,673,741

7. Customer Care and Enrollment Expenses

Customer care and enrollment expenses ("CC&E") relate to THI's costs associated with staffing our BPO's dedicated THI sales team, licensing, and fees paid for a third-party telephony system used for routing inbound consumer calls. CC&E expenses for the year ended December 31, 2018 were:

Labor	$	1,331,924
Telephony		165,987
Other		74,516
Total CC&E	$	1,572,427

8. Commitments and Contingencies

Leases

We lease office space to conduct our operations. Our current leasing arrangement is on a month-to-month basis, and has not been renegotiated for a longer duration lease as of December 31, 2018.

Legal Proceedings

The Company is subject to legal proceedings, claims, and liabilities that arise in the ordinary course of business. The Company accrues losses associated with legal claims when such losses are probable and reasonably estimable. If the Company determines that a loss is probable and cannot estimate a specific amount for that loss, but can estimate a range of loss, the best estimate within the range is accrued. If no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. Estimates are adjusted as additional information becomes available or circumstances change. Legal defense costs associated with loss contingencies are expensed in the period incurred. The Company has made no accruals for legal contingencies as of December 31, 2018.

9. Subsequent Events

On June 5, 2019, THS entered into a Membership Interest Purchase Agreement (the "Agreement"), with Health Insurance Innovations, Inc. ("HIIQ"), a Delaware corporation, a cloud-based technology platform and distributor of affordable health and life insurance products that meet the demands and needs of consumers. The closing of the transaction contemplated by the Agreement occurred on June 5, 2019 which included the sale of TogetherHealth.

The TogetherHealth entities will continue as surviving entities and indirect subsidiaries of HIIQ. Pursuant to the Agreement, at closing, HIIQ paid consideration consisting of approximately $50.0 million in cash, 630,000 shares of HIIQ's class A common stock, and contingent consideration. A portion of the consideration consisting of $2.5 million in cash was held back by HIIQ to fund payment obligations of the Company's former equity holders, and fees and expenses of the representatives of the Company's former equity holders.

The Company evaluated subsequent events through August 21, 2019, the date these financial statements were issued, and has appropriately accounted for and disclosed all relevant subsequent events through this date.

Unaudited Interim Combined Financial Statements
TogetherHealth Insurance, LLC and affiliated companies
March 31, 2019 and 2018

INDEX TO FINANCIAL STATEMENTS

TogetherHealth Insurance, LLC and affiliated companies

TogetherHealth Insurance, LLC and affiliated companies
Combined Balance Sheets

		March 31, 2019 (unaudited)		December 31, 2018
Assets				
Current assets:				
Cash and cash equivalents	$	3,497,622	$	1,856,924
Accounts receivable		855,703		1,774,468
Other current assets		167,378		178,396
Total current assets		4,520,703		3,809,788
Property plant and equipment		21,138		15,310
Total assets	$	4,541,841	$	3,825,098
Liabilities and members' equity				
Current liabilities:				
Accounts payable and accrued expenses	$	1,354,182	$	244,146
Total current liabilities		1,354,182		244,146
Total liabilities		1,354,182		244,146
Commitments and contingencies				
Member's equity		3,187,659		3,580,952
Total liabilities and member's equity	$	4,541,841	$	3,825,098

The accompanying notes are an integral part of the combined financial statements

TogetherHealth Insurance, LLC and affiliated companies
Combined Statements of Income
(Unaudited)

	Three Months Ended March 31,	
	2019	**2018**
Revenues	$ 7,330,643	$ 5,478,224
Operating expenses:		
Advertising	5,370,113	3,736,447
Customer care and enrollment	810,855	210,068
Selling, general and administrative	642,968	488,813
Total operating expenses	6,823,936	4,435,328
Net income	$ 506,707	$ 1,042,896

The accompanying notes are an integral part of the combined financial statements

TogetherHealth Insurance, LLC and affiliated companies
Combined Statement of Member's Equity
(Unaudited)

Balance, January 1, 2018	$	216,815
Net income		7,978,662
Distributions		(4,614,525)
Balance, December 31, 2018		3,580,952
Net income		506,707
Distributions		(900,000)
Balance, March 31, 2019 (Unaudited)	$	3,187,659

The accompanying notes are an integral part of the combined financial statements

TogetherHealth Insurance, LLC and affiliated companies
Combined Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2019	**2018**
Operating activities:		
Net income	$ 506,707	$ 1,042,896
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable and other assets	929,783	(436,918)
Increase in accounts payable and accrued expenses	1,110,036	32,444
Net cash provided by operating activities	2,546,526	638,422
Investing activities:		
Purchases of property and equipment	(5,828)	(325)
Net cash used in investing activities	(5,828)	(325)
Financing activities:		
(Distributions to) contributions from members	(900,000)	21,563
Net cash (used in) provided by financing activities	(900,000)	21,563
Net increase in cash and cash equivalents	1,640,698	659,660
Cash and cash equivalents at beginning of period	1,856,924	93,875
Cash and cash equivalents at end of period	$ 3,497,622	$ 753,535

The accompanying notes are an integral part of the combined financial statements

TogetherHealth Insurance, LLC and affiliated companies
Notes to Combined Financial Statements

1. Description of Business, Basis of Presentation, and Summary of Significant Accounting Policies

In this report, unless the context suggests otherwise, references to the "Company," "we," "us" and "our" refer to TogetherHealth Insurance, LLC ("THI" or "Medicare Commission Business"), TogetherHealth PAP, LLC ("THP" or "Consumer Engagement Business") and RxHelpline, LLC ("RxH" and, collectively with THI and THP, "TogetherHealth"). The terms "THI," "THP" and "RxH" refer to the respective stand-alone entities.

Business Description

Consumer Engagement Business

THP's primary business is a direct-to-consumer platform connecting individuals with U.S. insurance carriers through consumer acquisition and engagement services primarily serving the Medicare insurance market through inbound live telephone calls. THP utilizes a third-party telephony platform which transfers inbound calls to distributors in real-time. The Company typically receives a fixed rate for each inbound call that meets agreed upon standards ("valid inbound call"). THP also routes inbound calls to THI's business process outsourcing partner ("BPO"), who maintains the carrier relationship and sells Medicare-related health insurance plans on our behalf. Medicare-related products include Medicare Advantage, Medicare Supplement, and Medicare Part D prescription drug plans.

Medicare Commissions Business

In November 2017, the Company began operations for THI, a health insurance agency specializing in Medicare-related health insurance plans, including Medicare Advantage, Medicare Supplement, and Medicare Part D prescription drug plans. The Company has a contract with our BPO for our insurance agency operations. The Company contracts our BPO, who maintains the carrier relationship, to provide us with dedicated call center staff for routed inbound calls from THP. This dedicated team of sales agents sell Medicare-related products on our behalf. We are not an insurer and do not process or pay claims. We assume no underwriting, insurance, or reimbursement risk.

Principles of Combination and Basis of Presentation

The accompanying combined financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). The TogetherHealth entities are under common control and management, therefore all intercompany balances and transactions have been eliminated in preparing the combined financial statements.

In the opinion of management, all adjustments, including normal recurring adjustments, necessary for a fair statement of the unaudited combined financial statements as of and for the three months ended March 31, 2019 and 2018, have been recorded. The results of operations for the three months ended March 31, 2019 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2019. These unaudited financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2018.

Use of Estimates

The preparation of the combined financial statements in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements. These estimates also affect the reported amounts of revenue and expenses during the reporting periods. Actual results could differ materially from those estimates.

Summary of Significant Accounting Policies

Cash and Cash Equivalents

We account for cash on hand and demand deposits with banks and other financial institutions as cash. Short-term, highly liquid investments with original maturities of three months or less, when purchased, are considered cash equivalents. Investments in cash equivalents include, but are not limited to, demand deposit accounts, money market accounts and certificates of deposit with original maturities of three months or less.

Accounts Receivable

Accounts receivable represent amounts due to us for consumer engagement sales to third-party vendors and are generally considered delinquent 30 days after the due date. We have not experienced any material credit losses from accounts receivable and have not recognized a provision for uncollectible accounts.

Fair Value Measurements

The Company's financial instruments include cash, accounts receivable, and accounts payable and accrued expenses. The carrying amount of cash, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments.

Revenue Recognition

The Company's revenue is principally derived from the sale of consumer inbound calls to distributors and commissions revenue. The Company recognizes revenue when: (1) persuasive evidence exists of an arrangement with the customer reflecting the terms and conditions under which products or services will be provided; (2) delivery has occurred or services have been provided; (3) the fee is fixed or determinable; and (4) collection is reasonably assured. Revenue is considered earned when the performance measures have been completed.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. Advertising and marketing expenses for the three months ended March 31, 2019 and 2018 were approximately $5.4 million and $3.7 million and are classified as Advertising on the combined statements of income.

Customer Care and Enrollment Costs

Customer care and enrollment costs consist of costs associated with customer service related activities and labor and administrative charges associated with sales and enrollment of the insurance products sold by THI's BPO. Customer care and enrollment expenses for the three months ended March 31, 2019 and 2018 were approximately $811,000 and $210,000.

Concentrations of Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. A significant portion of the Company's cash and cash equivalents is held at one large reputable financial institution. The Company is exposed to credit risk in the event of default by the financial institution to the extent that cash balances with the financial institution is in excess of amounts that are insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts.

For the three months ended March 31, 2019, the Company had two customers that accounted for approximately 82% of our revenue and one customer that accounted for 95% of accounts receivable.

Accounting for Income Taxes

The TogetherHealth entities are pass-through entities for federal and state income tax purposes and as such, profits are not taxed at the Company level. The pass-through taxation method flows the profits and losses of the Company to the partners, who report their shares on their individual tax returns. Their shares of member profits and losses are determined by their respective membership agreements and are generally proportionate to their percentages of business ownership.

The Company follows the provisions of ASC 740, Income Taxes, which recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Increases or decreases to the unrecognized tax benefits could result from management's belief that a position can or cannot be sustained upon examination based on subsequent information or potential lapse of the applicable statute of limitations for certain tax positions. No amounts of unrecognized tax benefits have been recorded in the Company's combined financial statements as of March 31, 2019 or December 31, 2018. Penalties or interest that may be assessed related to any income taxes would be classified in selling, general, and administrative expense in the combined statement of income.

Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) which amended revenue recognition standards. The standard is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, new and enhanced disclosures are required. For a non-public entity, the standard becomes effective for annual and interim reporting periods beginning after December 15, 2018. As such, for us, the new standard is effective for the year ending December 31, 2019 and for interim periods in the year ending December 31, 2020. We have not completed our assessment of the standard and have not yet determined the impact of adoption on our combined financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), further updated by ASU No. 2018-10, which modifies lease accounting for lessees to increase transparency and comparability by requiring organizations to recognize lease assets and lease liabilities on the balance sheet and increasing disclosures about key leasing arrangements. The amendment updates the critical determinant from capital versus operating to whether a contract is or contains a lease because lessees are required to recognize lease assets and lease liabilities for all leases - financing and operating - other than short term. The amendments in this update are effective for private entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. We will adopt this guidance on January 1, 2020. We have not completed our assessment of the new lease standard and have not yet determined the impact of adoption on our combined financial statements.

The Company has reviewed all other recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on our financial statements.

2. Accounts Receivable

As of March 31, 2019, and December 31, 2018, the Company had approximately $856,000 and $1.8 million, respectively, in accounts receivable on the combined balance sheets. Amounts generally relate to trade accounts receivable, primarily related to commissions earned by THI or consumer engagement sales made by THP. There were no allowances made for uncollectible accounts as of March 31, 2019 or December 31, 2018.

3. Equity

THI, THP and RxH are organized as limited liability companies with the same member holding all ownership interests for each limited liability company.

4. Revenue

The Company sells consumer engagement services utilizing a third-party telephony platform which transfers inbound calls to distributors in real-time. A valid inbound call for which the Company earns revenue is one that meets the minimum standards contractually agreed upon with the distributor, which is usually based on a minimum call length. The customer collects inbound call conversion data and provides the Company with periodic reporting. Revenue for valid inbound calls is recognized based on the contractually agreed price per valid inbound call multiplied by the number of valid inbound calls supplied during the period.

In November 2017, the Company formed THI, who specializes in the sale of Medicare-related plans through our BPO relationship for which THI earns commissions revenue. Commissions are paid to the Company by the BPO at contractually agreed upon rates depending on the type of Medicare-related product sold. We earn commission revenue for Medicare Advantage and Medicare Part D prescription drug plans until the policy is canceled. We recognize first-year policy commission revenue for both Medicare Advantage and Medicare Part D prescription drug plans for the entire plan year once the annual commission amount for the plan year is reported to us by the BPO, net of an estimate for future forfeiture amounts due to cancellations. For policies renewed after the first plan year, the Company recognizes revenue monthly as the consumer renews the policy. For the three months ended March 31, 2019, THI recognized approximately $2.0 million of commissions revenue.

5. Advertising Expense

The Company engages in marketing and advertising activities across various media. THP primarily utilizes television based advertising to reach the end-consumer for the consumer engagement business. Advertising expense includes the cost of television commercial spots and endorsements paid to celebrity spokespersons.

6. Selling, General, and Administrative Expenses

Selling, general and administrative (“SG&A”) expenses include items such as executive compensation and benefits, professional fees, business travel and office costs. Other general and administrative expenses include items for our administrative functions and include costs for items such as office rent, supplies, insurance, legal, accounting, tax, telephone and other outside services. SG&A consisted of the following:

	Three months ended March 31,	
	2019	2018
Salaries and related expenses	$ 433,536	$ 381,994
Professional fees	1,828	7,400
Other general and administrative	207,604	99,419
Total selling, general, and administrative expenses	$ 642,968	$ 488,813

7. Customer Care and Enrollment Expenses

Customer care and enrollment expenses ("CC&E") relate to THI's costs associated with staffing our BPO's dedicated THI sales team, licensing, and fees paid for a third-party telephony system used for routing inbound consumer calls. CC&E expenses consisted of the following:

	Three months ended March 31,	
	2019	2018
Labor	$ 735,723	$ 159,889
Telephony	50,676	17,126
Other	24,456	33,053
Total CC&E	$ 810,855	$ 210,068

8. Commitments and Contingencies

Leases

We lease office space to conduct our operations. Our current leasing arrangement is on a month-to-month basis, and has not been renegotiated for a longer duration lease as of March 31, 2019.

Legal Proceedings

The Company is subject to legal proceedings, claims, and liabilities that arise in the ordinary course of business. The Company accrues losses associated with legal claims when such losses are probable and reasonably estimable. If the Company determines that a loss is probable and cannot estimate a specific amount for that loss, but can estimate a range of loss, the best estimate within the range is accrued. If no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. Estimates are adjusted as additional information becomes available or circumstances change. Legal defense costs associated with loss contingencies are expensed in the period incurred. The Company has made no accruals for legal contingencies as of March 31, 2019 or December 31, 2018.

9. Subsequent Events

On June 5, 2019, THS entered into a Membership Interest Purchase Agreement (the "Agreement"), with Health Insurance Innovations, Inc. ("HIIQ"), a Delaware corporation, a cloud-based technology platform and distributor of affordable health and life insurance products that meet the demands and needs of consumers. The closing of the transaction contemplated by the Agreement occurred on June 5, 2019 which included the sale of TogetherHealth.

The TogetherHealth entities will continue as surviving entities and indirect subsidiaries of HIIQ. Pursuant to the Agreement, at closing, HIIQ paid consideration consisting of approximately $50.0 million in cash, 630,000 shares of HIIQ's class A common stock and contingent consideration. A portion of the consideration consisting of $2.5 million in cash was held back by HIIQ to fund payment obligations of the Company's former equity holders, and fees and expenses of the representatives of the Company's former equity holders.

The Company evaluated subsequent events through August 21, 2019, the date these financial statements were issued, and has appropriately accounted for and disclosed all relevant subsequent events through this date.

Introduction to Unaudited Pro Forma Combined Financial Statements

On June 5, 2019, the Health Insurance Innovations, Inc. (the “Company” or “HIIQ”) entered into a Membership Interest Purchase Agreement (the “Purchase Agreement”) with RxHelpline, LLC (“RXH”), TogetherHealth PAP, LLC (“THP”), TogetherHealth Insurance, LLC (“THI” and, collectively with RXH and THP, “TogetherHealth”), TogetherHealth Soup, L.P. (“Seller”) and certain principals of TogetherHealth, pursuant to which Health Plan Intermediaries Holdings, LLC, a consolidated subsidiary of HIIQ, purchased 100% of the outstanding limited liability company interests of TogetherHealth (the “Interests”). The closing of the transactions contemplated by the Purchase Agreement occurred on June 5, 2019, simultaneous with the signing of the Purchase Agreement.

References to “we,” “our,” or “the Company” refer to HIIQ and its consolidated subsidiaries.

Description of Unaudited Pro Forma Combined Financial Statements

The following unaudited pro forma combined balance sheet as of March 31, 2019 combines our historical balance sheet as of March 31, 2019, as filed with the Securities and Exchange Commission (“SEC”) in our Quarterly Report on Form 10-Q, with TogetherHealth’s unaudited historical combined balance sheet of as of March 31, 2019, giving effect to the acquisition as if it had occurred on January 1, 2018, using the purchase method of accounting and applying the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined financial statements.

The unaudited pro forma combined statements of income for the three months ended March 31, 2019 and 2018 combine our historical consolidated statements of income for the three months ended March 31, 2019 and 2018, as filed with the SEC in our Quarterly Report’s on Form 10-Q, with TogetherHealth’s unaudited historical information for the same periods, giving effect to the acquisition as though it had occurred at the beginning of the period presented, January 1, 2018, using the purchase method of accounting and applying the assumptions and adjustments described in the accompanying footnotes to the unaudited pro forma combined financial statements. The pro forma calculations do not consider $424,000 of costs incurred by us related to the acquisition during the six months ended June 30, 2019.

The unaudited pro forma financial statements do not include the realization of any cost savings from operating efficiencies,
synergies or other restructuring activities which might result from the transaction. The unaudited pro forma financial statements should be read in conjunction with the historical financial statements and accompanying notes of TogetherHealth and HIIQ.

The unaudited pro forma financial statements should not be taken as representative of the future consolidated results of operations or financial condition of HIIQ.

Unaudited Pro Forma Combined Balance Sheet
As of March 31, 2019
($ in 000's, except per share amounts)

	Health Insurance Innovations, Inc. Historical	TogetherHealth Historical	Pro Forma Adjustments	Pro Forma Combined
Assets				
Current assets:				
Cash and cash equivalents	$ 6,483	$ 3,498		$ 9,981
Restricted cash	16,481	—		16,481
Accounts receivable, net, prepaid expenses and other current assets	1,727	1,023(1)		2,750
Advanced commissions, net	30,063	—		30,063
Contract asset, net	166,858	—	1,746(a)	168,604
Total current assets	221,612	4,521		227,879
Long-term contract asset, net	144,529	—	4,041(a)	148,570
Property and equipment, net	4,859	21		4,880
Goodwill	41,076	—	54,662(b)	95,738
Intangible assets, net	3,882	—	12,960(c)	16,842
Deferred tax assets	26,385	—		26,385
Other assets	793	—		793
Total assets	$ 443,136	$ 4,542		$ 521,087
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable and accrued expenses	$ 26,643	$ 1,354		$ 27,997
Commissions payable, net	102,817	—		102,817
Deferred revenue	227	—		227
Income taxes payable	18,038	—		18,038
Due to member	9,543	—		9,543
Contingent consideration	—	—	2,449(d)	2,449
Other current liabilities	405	—		405
Total current liabilities	157,673	1,354		161,476
Long-term commissions payable, net	94,894	—		94,894
Long-term contingent consideration	—	—	10,975(d)	10,975
Revolving line of credit	65,000	—	50,000(e)	115,000
Due to member	26,210	—		26,210
Other liabilities	135	—		135
Total liabilities	343,912	1,354		408,690
Commitments and contingencies				
Stockholders' equity:				
Class A common stock	15	—	1(f)	16
Class B common stock	2	—		2
Preferred stock	—	—		—
Additional paid-in capital	93,340	—	11,783(f)	105,123
Treasury stock, at cost	(108,758)	—		(108,758)
Retained earnings	82,135	3,188	(1,799)(g)(a)	83,524
Total Health Insurance Innovations, Inc. stockholders' equity	66,734	3,188		79,907
Noncontrolling interests	32,490	—		32,490
Total stockholders' equity	99,224	3,188		112,397
Total liabilities and stockholders' equity	$ 443,136	$ 4,542		$ 521,087

Notes to the Adjustments to the Pro Forma Combined Balance Sheet:

(1) Accounts receivable and other current assets of TogetherHealth are included within accounts receivable, net, prepaid expenses and other current assets on the combined financial statement line item.
(a) To record the impact of TogetherHealth's adoption of Accounting Standards Codification 606 which would have been required as a public company subsidiary as of the date of the period presented.
(b) To record the estimated value of acquired goodwill.
(c) To record the estimated fair value of acquired identifiable intangible assets.
(d) To record the estimated fair value of contingent consideration.
(e) To account for the debt required to satisfy acquisition consideration.
(f) To account for the issuance of HIIQ Class A common stock issued at closing of the acquisition as a component of the acquisition consideration, at fair value.
(g) To eliminate the equity accounts of TogetherHealth.

Unaudited Pro Forma Combined Statement of Income
For the Three Months Ended March 31, 2019
($ in 000's, except per share data)

	Health Insurance Innovations, Inc. Historical	TogetherHealth Historical	Pro Forma Adjustments	Pro Forma Combined
Revenues	$ 87,326	$ 7,331	$ 722(a)(b)	$ 95,379
Operating expenses:				
Third-party commissions	60,671	—	—	60,671
Credit card and ACH fees	1,523	—	—	1,523
Selling, general and administrative	18,659	6,824 (1)	(811)(b)	24,672
Depreciation and amortization	1,132	—	914(c)	2,046
Total operating expenses	81,985	6,824	103	88,912
Income from operations	5,341	507	619	6,467
Other expense (income):				
Interest expense (income)	345	—	625(d)	970
Other expense	17	—	—	17
Net income before income taxes	4,979	507	(6)	5,480
Provision for income taxes	2,797	—	(1)(e)	2,796
Net income	2,182	507	(5)	2,684
Net income attributable to noncontrolling interests	851	—	(1)(f)	850
Net income attributable to Health Insurance Innovations, Inc.	$ 1,331	$ 507	$ (4)	$ 1,834
Per share data:				
Net income per share attributable to Health Insurance Innovations, Inc.				
Basic	$ 0.12			$ 0.15
Diluted	$ 0.11			$ 0.14
Weighted average Class A common shares outstanding				
Basic	11,388,490	—	630,000(g)	12,018,490
Diluted	12,472,731	—	630,000(g)	13,102,731

Notes to the Adjustments to the Pro Forma Combined Income Statement:

(1) Advertising, customer care and enrollment, and selling, general, and administrative expenses of TogetherHealth are included within the combined selling, general and administrative financial statement line item.
(a) To account for incremental TogetherHealth revenues of $1.5 million that would be recorded under Accounting Standards Codification 606 had they been acquired by HIIQ in January 2018.
(b) To reclassify CC&E expenses reported under ASC 605 to a reduction of revenue as would be required under Accounting Standards Codification 606.
(c) To record amortization expense on acquired intangible assets.
(d) To account for interest expense that would have been incurred on borrowed funds required for acquisition assuming $50.0 million loan at 5.0% annual interest.
(e) To record the income tax effect on the pro forma earnings before income taxes.
(f) To adjust for the effects of the pro forma adjustments described herein on the allocation of net income to noncontrolling interests.
(g) To account for the issuance of HIIQ Class A common stock issued at closing of the acquisition as a component of the acquisition consideration.

Unaudited Pro Forma Combined Statement of Income
For the Year Ended December 31, 2018
($ in 000's, except per share data)

	Health Insurance Innovations, Inc. Historical	TogetherHealth Historical	Pro Forma Adjustments	Pro Forma Combined
Revenues	$ 351,097	$ 35,991	$ 2,682(a)(b)	$ 389,770
Operating expenses:				
Third-party commissions	234,777	—	—	234,777
Credit card and ACH fees	5,909	—	—	5,909
Selling, general and administrative	74,350	28,013(1)	(1,572)(b)	100,791
Depreciation and amortization	4,799	—	3,656(c)	8,455
Total operating expenses	319,835	28,013	2,084	349,932
Income from operations	31,262	7,978	598	39,838
Other expense (income):				
Interest expense (income)	25	—	2,500(d)	2,525
TRA expense	1,471	—	—	1,471
Other expense	130	—	—	130
Net income before income taxes	29,636	7,978	(1,902)	35,712
Provision for income taxes	10,672	—	(456)(e)	10,216
Net income	18,964	7,978	(1,446)	25,496
Net income attributable to noncontrolling interests	5,970	—	(383)(f)	5,587
Net income attributable to Health Insurance Innovations, Inc.	$ 12,994	$ 7,978	$ (1,063)	$ 19,909
Per share data:				
Net income per share attributable to Health Insurance Innovations, Inc.				
Basic	$ 1.07			$ 1.55
Diluted	$ 0.97			$ 1.42
Weighted average Class A common shares outstanding				
Basic	12,200,654	—	630,000(g)	12,830,654
Diluted	13,376,265	—	630,000(g)	14,006,265

Notes to the Adjustments to the Pro Forma Combined Income Statement:

(1) Advertising, customer care and enrollment, and selling, general, and administrative expenses of TogetherHealth are included within the combined selling, general and administrative financial statement line item.
(a) To account for incremental TogetherHealth revenues of $268,000 that would be recorded under Accounting Standards Codification 606 had they been acquired by HIIQ in January 2018.
(b) To reclassify CC&E expenses reported under ASC 605 to a reduction of revenue as would be required under Accounting Standards Codification 606.
(c) To record amortization expense on acquired intangible assets.
(d) To account for interest expense that would have been incurred on borrowed funds required for acquisition assuming $50.0 million loan at 5.0% annual interest.
(e) To record the income tax effect on the pro forma earnings before income taxes.
(f) To adjust for the effects of the pro forma adjustments described herein on the allocation of net income to noncontrolling interests.
(g) To account for the issuance of HIIQ Class A common stock issued at closing of the acquisition as a component of the acquisition consideration.