



## Health Insurance Premiums: eHealth, Inc. Provides Update on Average Costs for Individual and Family Policies

August 26, 2009

**Average Individual Health Insurance Premiums: \$161 per Month in February 2009; Average Family Health Insurance Premiums: \$383 per Month in February 2009**

MOUNTAIN VIEW, CA, Aug 26, 2009 (MARKETWIRE via COMTEX) -- eHealth, Inc. (NASDAQ: EHTH), parent company of eHealthInsurance (<http://www.ehealthinsurance.com>), today released updated data on the cost of individually-purchased health insurance plans for individuals and families. The findings appear in The Cost of Individual and Family Health Insurance Plans 2009 Update, an internal evaluation of eHealth, Inc.'s data.

The analysis provides factual data on average and median premiums paid for individual health insurance policies and average deductibles for those policies. The research, based on a nationwide sample of over 316,000 individual and family (IFP) major medical policies that were purchased through eHealthInsurance and active in February 2009 and over 258,000 policies active in February 2008 revealed the following insights:

### Individual Plan Data

- In February of 2008, the average monthly premium for individual policies was \$159
- In February of 2009, the average monthly premium for individual policies was \$161
- Average premiums for individual policies increased 1.1 percent over that time.
  
- In February of 2008, the median monthly premium for individual policies was \$130
- In February of 2009, the median monthly premium for individual policies was \$132
- Median premiums for individual policies increased 1.5 percent over that time.
  
- In February of 2008, the average deductibles for individual policies was \$2,084
- In February of 2009, the average deductibles for individual policies was \$2,326
- Average deductibles for individual policies increased 11.6 percent over that time.

### Family Plan Data

- In February of 2008, the average monthly premium for family policies was \$369
- In February of 2009, the average monthly premium for family policies was \$383
- Average premiums for family policies increased 4.0 percent over that time.
  
- In February of 2008, the median monthly premium for family policies was \$320
- In February of 2009, the median monthly premium for family policies was \$329
- Median premiums for family policies increased 2.9 percent over that time.
  
- In February of 2008, the average deductibles for family policies was \$2,760
- In February of 2009, the average deductibles for family policies was \$3,128
- Average deductibles for family policies increased 13.3 percent over that time.

## HSA Eligible Plan Data

-- In February of 2008, 14.3 percent of individual policies were HSA eligible

-- In February of 2009, 16 percent of individual policies were HSA eligible

-- In February of 2008, the average monthly premium for HSA eligible individual policies was \$137

-- In February of 2009, the average monthly premium for HSA eligible individual policies was \$143

-- Average premiums for HSA eligible individual plans increased 4.7 percent over that time.

-- In February of 2008, the average monthly premium for HSA eligible family policies was \$309

-- In February of 2009, the average monthly premium for HSA eligible family policies was \$331

-- Average premiums for HSA eligible family plans increased 7.0 percent over that time.

## Individual health insurance vs. Employer-sponsored coverage: How do they differ?

This latest eHealth Cost of Individual and Family Health Insurance Plans 2009 Update provides a subset of the data eHealth publishes in its annual Cost & Benefits Report. eHealth has been publishing studies like this since 2001 with the goal of providing a nationwide perspective on cost and benefit trends in the individual health insurance market, based on an analysis of a large, geographically distributed sample of insurance policies purchased through eHealthInsurance. It is estimated that 18 million Americans are covered through individual plans(1).

The cost of individual health insurance policies reported in our study differs significantly from the cost of employer-sponsored health insurance coverage due to several differences between the individual market and the employer-sponsored market, which may impact the premiums that consumers experience. Many of these factors could be impacted by proposed health care reform legislation.

Some of those differences include:

**Guaranteed Issue:** Every employee who applies for health insurance through their employer is accepted but in the individual market, with the exception of a few states, plans are medically underwritten and applicants can be denied coverage.

**Tax Exemption:** Health insurance premiums are not tax-deductible for individuals or families purchasing coverage on their own, but they are tax-deductible for companies that pay for health insurance coverage for employees and premiums paid by employees are paid on a pre-tax basis.

**Benefits:** Individual market plans offer comparable benefits to employer plans: hospitalization, emergency room coverage, lab x-ray, maternity care, OB/GYN coverage, physician visits, pharmaceutical coverage, and preventative care. The majority of plans surveyed in our 2008 report entitled, "Cost And Benefits Of Individual And Family Health Insurance Plans," include most of these benefits. However, in the individual market the level of benefits is typically selected by the consumer based on their individual needs.

## Cost-sharing

Individuals and families purchasing coverage on their own, tend to select plans with higher deductibles and coinsurance costs in order to keep their premiums low as compared with employer provided plans.

## Methodology

The 2008 and 2009 plan data referred to in The Cost of Individual and Family Health Insurance Plans 2009 Update is derived from over 258,000 active individual and family (IFP) major medical policies purchased through eHealthInsurance that were active in February 2008 and 316,000 policies that were active in February 2009. The update analyzes annual deductibles and monthly premiums paid on individual and family major medical health insurance policies purchased through eHealthInsurance and active in February 2008 and February 2009.

Data for Maine, Massachusetts, and Vermont were excluded from this report because eHealthInsurance did not sell enough individual and family major medical plans in these states at the time the data for this report was collected to provide an accurate sample size.

For more information on methodology, please refer to the report located on <http://www.Ready2Connect.org> in the "Research & Advice" section.

## Footnote:

(1) Source: U.S. Census Bureau estimates ("Income, Poverty, and Health Insurance Coverage in the United States: 2007," Issued August 2008).

## About eHealth, Inc.:

eHealth, Inc. (NASDAQ: EHTH) is the parent company of eHealthInsurance, the nation's leading online source of health insurance for individuals, families and small businesses. Through the company's website, <http://www.eHealthInsurance.com>, consumers can get quotes from leading health insurance carriers, compare plans side by side, and apply for and purchase health insurance. eHealthInsurance offers thousands of health plans underwritten by more than 180 of the nation's leading health insurance companies. eHealthInsurance is licensed to sell health insurance in all 50 states and the District of Columbia. Through its eCommerce On-Demand solution (eOD), [www.ehealth.com/eOD](http://www.ehealth.com/eOD), eHealth is also a leading provider of

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