



Non-Group Health Insurance Market Data: Half of Individual Policyholders Paid \$132 or Less per Month

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Median Plan Lifetime Coverage Limit Was \$5 Million; Nearly 100% of Policies Sampled Included Lab and X-Ray coverage (99.0%) and Emergency Room Coverage (99.9%)

MOUNTAIN VIEW, CA, Dec 09, 2009 (MARKETWIRE via COMTEX) -- Today, eHealth, Inc. (NASDAQ: EHTH) issued its annual Cost & Benefits Report. The report identifies the average premiums, deductibles and benefit standards for non-group health insurance plans for individuals and families purchased nationally through an online marketplace, eHealthInsurance.com. [Click here](#) to download a copy of the full report.

Founded in 1997, with over 2 million Americans insured, eHealthInsurance.com is the leading online marketplace for non-group, individual and family health insurance products. eHealthInsurance.com enables consumers to compare health insurance plan costs and benefits side-by-side, submit applications, receive underwriting decisions, make initial premium payments and complete their purchases online. These unique features demonstrate eHealthInsurance.com's effectiveness as a model for successful health insurance exchanges.

According to the report, in 2009 the median non-group health insurance premium for an individual in the United States was \$1,584 per year (\$132 per month) and the average deductible was \$2,326. Combined, annual premiums and deductibles account for approximately 7.7 percent of median household income for 2008 (\$50,303) as reported by the US Census Bureau(1).

The objective of this report is to provide 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 eHealthInsurance purchasers and products. The first Cost and Benefits of Individual Health Insurance Plans report was issued by eHealthInsurance in 2001. Licensed in all 50 states and the District of Columbia, eHealthInsurance is one of the few organizations with national source data that can best reflect consumer buying patterns and purchase prices in the non-group health insurance market.

Analysis in the report is based on a nationwide sample of approximately 317,000 non-group, individual and family (IFP) major medical policies purchased through eHealthInsurance.com, and active in February 2009.

"As the nationwide economic situation continues, and the number of uninsured Americans increases, access to cost-effective health insurance continues to be a critical issue in our country," said Gary Lauer, president and CEO of eHealth, Inc. "This report provides a very clear picture of what people choose to purchase when they have the opportunity to view multiple products side-by-side in an online marketplace. We're confident that people make better purchase decisions when they're aware of all of their health coverage options. eHealth has helped over 2 million people enroll in health coverage by expanding access to coverage and increasing their awareness of their coverage options. We believe eHealth has played a vital role helping cover the uninsured and the self-employed in our country."

Report Highlights - Active Policies Surveyed in 2009:

- The average monthly premium for non-group individual policies was \$161, while the average monthly premium for non-group family policies was \$383.
- The average deductible for individual policies was \$2,326, and the average deductible for family policies was \$3,128
- Half of all individual policyholders paid monthly premiums of \$132 or less, and half of all family policyholders paid monthly premiums of \$329 or less.
- The average plan lifetime limit was \$4.3 million. This average applies only to policies with specified limits. The median plan lifetime limit was \$5 million. The median is based on policies sampled that have specific dollar limits as well as those with no dollar limits.
- The range of average monthly premiums for individual plans across the United States falls between \$103 in Iowa and \$339 in New York. The range of average monthly premiums for family plans across the United States falls between \$233 in Iowa and \$841 in New York.
- Forty-five percent of major medical plans sold to individuals had a deductible of less than \$2,000. Among family plans, sixty percent (60.5%) had a deductible less than \$3,000.
- Sixteen percent of all active policies were HSA-eligible.
- Almost 100% of individual and family plan (IFP) policyholders selected plans that included lab x-ray (99.0%) and emergency room coverage (99.9%).
- The majority of individual and family plan policyholders purchased plans that covered prescription drugs (88.9%) and chiropractic coverage (74.4%).
- Policyholders also tended to select plans that offered preventive care

benefits like OB/GYN (93.7%), periodic exams (89.6%) and well baby coverage (87.7%).

Individual and Family Health Insurance Premiums and Deductibles The report shows that between February 2008 and February 2009 the average monthly premium for active individual health insurance policies purchased through eHealthInsurance increased 1.1 percent, from \$159 to \$161. During the same time period, the average deductibles for individual policies increased 11.6 percent, from \$2,084 to \$2,326.

For active family health insurance plans purchased through eHealthInsurance, the report shows that between February 2008 and February 2009, average monthly premiums increased 4 percent, from \$369 to \$383. During the same time period, the average deductibles for family policies increased 13.3 percent, from \$2,760 to \$3,128.

Individual and Family Health Insurance Plan Benefits According to the survey results, consumers purchasing individual and family health insurance plans elected to purchase products that provided access to many of the same benefits available in group health insurance policies. In February 2009 the overwhelming majority of plans purchased by consumers covered Labs & X-Rays (99.0 percent), E.R. visits (99.9 percent), prescription drugs (88.9 percent), OB/GYN coverage (93.7 percent), periodic exams (89.6 percent), Well Baby visits (87.7 percent) and chiropractic care (74.4 percent).

Maternity benefits, which are not mandatory in many states, were only purchased as a part of 22.1 percent of active policies surveyed. Overall, 46.6 percent of primary policyholders were women and, in some areas, products that cover maternity benefits may not have been available for purchase. Nationwide, there are seven states (NY, NJ, MA, MT, MN, OR and WA) that require all major medical individual and family health insurance plans sold to consumers -- regardless of the policyholder's gender -- to cover maternity benefits. Average monthly premiums for policies surveyed that covered maternity benefits were \$216 per month, versus an average monthly premium of \$139 for those that did not cover maternity benefits.

Percentage of Individual Policies by Age Group Individual health insurance policies were held by people of all ages. Approximately one-third of primary policyholders (34.6 percent) were between the ages of 25 and 34. Roughly one-fifth (21 percent) of all policyholders were people between the ages of 18 and 24. More than one out of every six policyholders was between the ages of 35-44 (16.0 percent) and nearly one in eight (12.7 percent) was between the ages of 45-54. Only one-in-sixteen (6.2 percent) of all of primary policyholders was under the age of 18 and slightly less than one-in-ten (9.5 percent) was between the ages of 55 and 64.

Average Individual Policy Premiums by Age Group For single policies, average monthly premiums were \$94 for individuals under age 18; \$106 per month for individuals between the ages of 18 and 24; \$130 per month for individuals between the ages of 25 and 34; \$178 for individuals between the ages of 35 and 44; \$233 per month for individuals between the ages of 45 and 54 and \$314 per month for individuals aged 55-64.

Lifetime Coverage Maximums (Average applies to policies with specified coverage limits) Lifetime coverage limit information was available for 90 percent of policies surveyed. Of the policies with specified lifetime coverage limit information, 29.9 percent provided limits of \$3 million or less; 50.5 percent provided limits between \$4 million and \$6 million; 6.4 percent provided limits between \$7 million and \$9 million; 0.2 percent provided limits over \$10 million; and 13.0 percent had no coverage limits for lifetime coverage. The average lifetime coverage limit for policies with specified limits was \$4.3 million and the median lifetime coverage limit was \$5 million. These 286,000 plans represent approximately 90 percent of the total policies surveyed. Approximately 10 percent of policies were excluded because they did not indicate a lifetime limit of any kind and were not used to calculate the median or average lifetime limit data. Plans with unlimited lifetime coverage limit were also excluded from lifetime average data in the report.

Average Monthly Premiums by State The report also identifies the average monthly premiums and annual deductibles for individual and family policies purchased through eHealthInsurance in 45 states and the District of Columbia. These states include, AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, SC, SD, TN, TX, UT, VA, WA, WI, WV and WY.

HSA-eligible Plan Data In February 2009, 16 percent of active individually-purchased health insurance plans were eligible for Health Savings Accounts (HSA). At that time, the average monthly premium on active HSA-eligible individual health insurance plans was \$143 per month. The average monthly premium on active HSA-eligible family plans was \$331 per month.

Monthly Premium Ranges for Individual Policies For single policies, 1.4 percent had monthly premiums greater than \$500; 2.7 percent of monthly premiums were between \$400 to \$500; 5.6 percent of monthly premiums were between \$300 to \$400; 14.9 percent of monthly premiums were between \$200 to \$300; 43.4 percent of monthly premiums were between \$100 to \$200; 27.8 percent of monthly premiums were between \$50 to \$100; and 4.3 percent of monthly premiums were \$50 or less.

Annual Deductible Ranges for Individual Policies For single policies, 17.3 percent had deductibles that were less than \$500; 8.6 percent had deductibles between \$500 to \$999; 19.2 percent had deductibles between \$1000 to \$1999; 26.4 percent had deductibles between \$2000 to \$2999; and 28.4 percent had deductibles of \$3000 or more.

Premium Ranges for Family Policies For family policies; 21.8 percent had monthly premiums greater than \$500; 13.8 percent had premiums between \$400 and \$500; 21.2 percent had premiums between \$300 and \$400; 24.7 percent had premiums between \$200 and \$300; 16.4 percent had premiums between \$100 and \$200; 2.1 percent had premiums between \$50 and \$100; 0.1 percent had premiums of \$50 or less.

Annual Deductible Ranges for Family Policies For family policies, 9.4 percent had deductibles that were less than \$500; 6.8 percent had deductibles between \$500 and \$999; 17.3 percent had deductibles between \$1000 and \$1999; 27.0 percent had deductibles between \$2000 and \$2999; and 39.5 percent had deductibles that were \$3000 or more.

Individual Plan Premiums by Gender For women, the average monthly individual premium for a woman under the age of 18 was \$94; women between the ages of 18 and 24 paid \$115; women between the ages of 25 and 34 paid \$144; women between the ages of 35 and 44 paid \$192; women between the ages of 45 and 54 paid \$240; and women between the ages of 55 and 64 paid \$316.

For men, the average monthly individual premium for a man under the age of 18 was \$95; 18 and 24 paid \$97; men between the ages of 25 and 34 paid \$119; men between the ages of 35 and 44 paid \$166; men between the ages of 45 and 54 paid \$226; men between the ages of 55 and 64 paid \$310.

Median Monthly Premiums and Deductibles for Children' Health Insurance

For single policies, where a child under the age of 18 was the primary policyholder, the median monthly premium was \$102 for children between the ages of 0 and 2; \$89 for children between the ages of 3 and 8; \$87 for children between the ages of 9 and 14; and \$87 for children between the ages of 15 and 17.

About this report This Cost of Individual and Family Health Insurance Plans Report for 2009 from eHealth provides a complete update on the 2008 report published by eHealth in November 2008. 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(2).

The costs and benefits of health insurance reported in this study differ significantly from those of employer-sponsored health insurance coverage due to differences between the individual health market and the employer-sponsored market which impact the premiums that consumers experience and the benefits they are provided. Many of these factors could be impacted by proposed health care reform legislation.

Some of those differences include: **Guaranteed Issue:** Generally, employees who apply for health insurance through their employer are accepted for coverage. In the individual market, with the exception of a few states, plans are medically underwritten and applicants can be denied coverage based on medical history.

Tax Exemption: Health insurance premiums are not tax-deductible for individuals or families purchasing coverage on their own. They are tax-deductible for companies that pay for health insurance coverage for employees and the portion of 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 2009 report include most of these benefits. However, in the individual market the level of benefits is typically selected by consumers based on their individual needs.

Cost-sharing: Individuals and families purchasing coverage on their own have the option to select plans with higher deductibles and coinsurance levels. This flexibility can impact monthly premiums, keeping them lower than health insurance provided through an employer. For example, a Henry J. Kaiser Family Foundation report(3) shows the estimated average annual group health insurance premium for a family in the United States is \$1,115 per month³, compared to \$383 per month in our 2009 report for the non-group market, which is approximately 65 percent less per month. However, the Kaiser report also estimated that in the group market the average general annual deductible for single coverage is \$6343 for people in PPOs and \$6993 for people in HMOs. The average deductible for single coverage in our report for the non-group market was \$2,326; approximately three times more expensive.

Methodology The 2009 plan data referred to in the report was derived from a sample of individual and family major medical policies purchased through eHealthInsurance that were active in February 2009. Specifically, 2009 data in the report was derived from approximately 233,000 individual plans; approximately 84,000 family plans; and approximately 16,000 children's plans. The number of children's plans surveyed is a subset of the number of individual plans surveyed. Lifetime limit data was taken from approximately 286,000 plans. These 286,000 plans represent approximately 90 percent of the total policies surveyed. Approximately 10 percent of policies were excluded because they did not indicate a lifetime limit of any kind and were not used to calculate the median or average lifetime limit data. Plans with unlimited lifetime coverage limit were also excluded from lifetime average data in the report.

The 2008 plan data referred to in the report was derived from a sample of individual and family major medical policies purchased through eHealthInsurance that were active in February 2008. Specifically, 2008 data in the report was derived from approximately 188,000 individual plans and approximately 71,000 family plans.

The 2007 plan data referred to in the report was derived from a sample of individual and family major medical policies purchased through eHealthInsurance that were active in August 2007. Specifically, the 2007 data in the report was derived from approximately 164,000 individual plans and approximately 63,000 family plans.

The premium data in the report was derived from information received from health insurance carriers relating to the actual premiums being paid by policyholders in the months of August 2007, February 2008 and February 2009. Actual premiums may differ from premiums quoted on the eHealthInsurance website because they represent the premium being paid after underwriting and for policies that were purchased prior to the date of analysis.

The number of policies identified above does not represent all of the individual and family major medical policies purchased through eHealthInsurance that were active during the stated time period. For example, some policies for which eHealthInsurance did not have sufficient benefit or premium data were excluded from the survey. Plan data listed in the report might change based on additional data received from health insurance carriers at a date later than the active date of the data or later than the published date of the report.

See the full 2009 Cost And Benefits Of Individual And Family Health Insurance Plans 2009 report for additional information relating to Methodology: http://news.ehealthinsurance.com/pr/ehi/document/Cost_and_Benefit_Report_2009.pdf

About eHealth 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 an online marketplace licensed to sell health insurance in all 50 states and the District of Columbia, making it an excellent model for successful, high-functioning health insurance exchanges. Through its eCommerce On-Demand solution (eOD), www.ehealth.com/eOD, eHealth is also a leading provider of on-demand e-commerce software services. eHealth's eOD platform provides a suite of hosted solutions that enable health plan providers and resellers to market and distribute products online. eHealth's eCommerce On-Demand solution is currently available to health plan providers in all 50 states and the District of Columbia. eHealthInsurance and eHealth are registered trademarks of eHealthInsurance Services, Inc.

(1) (Source): September. 10, 2009, U.S. Census Bureau Press Release: INCOME, POVERTY AND HEALTH INSURANCE COVERAGE IN THE UNITED STATES (http://www.census.gov/Press-Release/www/releases/archives/income_wealth/014227.html)

(2) (Source): U.S. Census Bureau Estimates; "Income, Poverty, and Health Insurance Coverage in the United States: 2007", Issued August 2008
(<http://ir.ehealthinsurance.com/phoenix.zhtml?c=198312&p=irol-presentations>).

(3) Henry J. Kaiser Family Foundation, Press Release, Family Health Premiums Reach \$13,375 Annually in 2009 Up 5 Percent as Inflation Fell Nearly 1 Percent, <http://www.kff.org/insurance/ehbs091509nr.cfm>

Image Available: http://www2.marketwire.com/mw/frame_mw?attachid=1133759

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