



Real Life 101 for 2010 College Graduates: Affordability and Health Reform Key Drivers to Get Health Insurance Coverage

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Many Students Could Graduate Without Coverage

MOUNTAIN VIEW, CA, Apr 20, 2010 (MARKETWIRE via COMTEX) --In a new survey from eHealthInsurance (NASDAQ: EHTH) (www.ehealthinsurance.com), one-in-five (21%) adults, ages 18-30, who graduated college in the past three years indicated that they were currently uninsured, and one-in-three (37%) stated that they did not have health insurance the day after they picked up their diploma. These results are part of "Real Life 101," eHealthInsurance's annual national poll of college students and recent graduates.

The survey results are available online at news.ehealthinsurance.com

The survey, conducted in March, 2010 by global insights firm Kelton Research and sponsored by eHealthInsurance, surveyed 1,016 adults between the ages of 18-30, including 516 full-time college students and 500 adults who had graduated college within the last three years. The results also reveal that, when it comes to getting health insurance, the biggest motivator for college students (32%) and recent graduates (41%) is finding access to affordable coverage. And, with the passage of health reform, most current students (64%) and recent graduates (65%) said they would buy health insurance, regardless of the cost. A minority said they would go without health insurance and face any resulting penalties when a mandate is slated to go into effect in 2014.

It's estimated that 3.2 million additional college students will receive degrees and graduate from college during the 2010 school year(1). With most of the major components of health reform beginning in 2014, and the economy still struggling to add jobs, expectant graduates are likely to need alternatives to employer-sponsored health insurance after graduation. Health reform legislation dramatically improves health insurance options for college graduates by adding new consumer protections to the individual -- non-group -- health insurance market, and by giving graduates the option to go back onto a parent's health insurance plan until they turn 26.

The poll results show most college students (85%) and recent graduates (84%) have followed the health reform debate, but fewer than a third (30%) of recent graduates and a fourth of current students (26%) believe the government should require 18-24-year-olds to buy health insurance. Less than one-in-ten graduates (6%) and current students (8%) say they'd be likely to defy the law by choosing to pay tax penalties, or by waiting until they get sick to buy health insurance.

For a complete list of the survey results from eHealthInsurance, go online to news.ehealthinsurance.com and search for the term, "101 Survey."

Misperception of Costs Leads Opposition to Buying Health Insurance: Recent graduates overestimate the cost of individually purchased health insurance by approximately 38%, and students overestimate the cost by 69%. When asked what would motivate them to buy health insurance, the most common answer given by current students (31%) and recent graduates (41%) was 'access to affordable insurance policies.'

- The average recent graduate believes private insurance would cost \$227 per month
- The average college student expects to pay \$278 per month
- The average monthly premium for individual health insurance policy is \$161(2)

Fair Pricing? When asked what they would view as a "fair" price to pay for their own health insurance, both students and recent graduates were much closer to the actual average cost of non-group health coverage for adults in their age range.

- Recent graduates felt a "fair" price to pay for their health insurance was \$137 per month, which is slightly more than the actual price of \$130(2) that adults, ages 25-34, are paying per month.
- College students also felt it would be fair to pay slightly more for health insurance -- \$114 per month -- than the actual cost of \$109(2) that adults, ages 18 to 24, are paying.

Parents Influence Opinions on Reform: Parents have a greater influence on their children's opinions of health reform legislation while they're in college. After graduation the news media's influence begins to rival mom and dad.

- Two-in-five college students (40%) said their parents had a greater influence on their opinions about health reform than the news media (19%), friends (8%) or teachers (6%)
- Parents' ability to influence their children's opinions of health reform legislation diminishes significantly (14% decrease) after they graduate from college
- Just over one-in-four recent graduates (26%) said their parents had a greater influence on their opinions about health reform than other

sources, such as friends (13%) or politicians (8%)

Buy vs. Bail: Paying for Health Insurance or Tax Penalties? In spite of their objections, nearly two-thirds of current students (64%) and recent graduates (65%) say they'll obey the new law and buy health insurance in 2014.

- More than two-in-five recent graduates (41%) and current students (41%) say they'll obey the "personal responsibility requirements" by purchasing the least expensive health insurance they can find; And, almost one-in-four recent graduates (23%) and current students (24%) say they'll research and buy the best insurance plan available when new policies are formalized.
- Nearly one-in-three graduates (30%) and close to one-in-four students (24%) say they'll do whichever costs less: buy a low-cost health insurance plan OR pay an annual tax penalty and go without health insurance.
- Only six percent (6%) of recent graduates and eight percent (8%) of current students say they'll opt to pay the tax penalty indefinitely, or wait until they get sick to buy health insurance

Young people between the ages of 18-30 continue to be the largest group of uninsured people in America today.

Sources: (1) U.S. Census: Statistical Abstract of the United States 2010 (2) eHealth, Inc.'s 2009 report: The Cost & Benefits of Individual and Family Health Insurance Plans 2009. The data referred to in this report is an aggregation of data reported to eHealthInsurance by health insurance carriers that eHealthInsurance has an agency relationship.

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Contact:

Nate Purpura
eHealth, Inc.
650-210-3115
nate.purpura@ehealth.com

Kris Kraves
Cogenta Communications
(805) 527-7733 - direct
kris@cogentacom.com

SOURCE: eHealth, Inc.

<mailto:nate.purpura@ehealth.com>
<mailto:kris@cogentacom.com>