

A man and a woman are sitting at a table, looking at a tablet together. The man is on the left, wearing a dark blue sweater, and the woman is on the right, wearing a white button-down shirt. They are both smiling and looking at the tablet. There are two white mugs on the table in front of them. The background is a kitchen with a blue cabinet and a green mug on a shelf.

eHealth[®]

Investor Presentation

November 2019

Safe Harbor Statement

Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the federal securities laws. Forward-looking statements generally relate to future events or our future financial or operating performance. Forward-looking statements in this presentation include, but are not limited to, the following:

- Our strategy, product roadmap, growth prospects and competitive advantage
- Estimated market size, commission opportunity and member economics for the Medicare health insurance market
- Our long term financial goals, including projections and targets for revenue, market share, EBITDA, EBITDA margin and operating cash flow
- The shift to digital enrollment

Our expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks include those set forth in our filings with the Securities and Exchange Commission, including our latest Form 10-Q and 10-K. The forward-looking statements in this presentation are based on information available to us as of today, and we disclaim any obligation to update any forward looking statements, except as required by law.

Non-GAAP Information

This presentation includes both GAAP and non-GAAP financial measures. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. A reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable GAAP financial measures is available in the Investor Relations section of our website located at <http://ir.ehealthinsurance.com>. Management uses both GAAP and non-GAAP information in evaluating and operating its business internally and as such has determined that it is important to provide this information to investors. We have not reconciled our projected EBITDA from 2020 through 2023 to our projected GAAP net income or loss, because we cannot reasonably predict items in the reconciliation and the reconciliation is not available without unreasonable effort.

eHealth at a Glance

Leading private online health insurance marketplace

.....

Well-positioned for consumerization of healthcare and massive industry shift online

.....

Solving critical problem in large, growing market with focus on Medicare

.....

Longstanding relationships, deep technology integration with carriers

.....

Strong revenue growth and EBITDA margin expansion

\$339M
TTM
Revenue⁽¹⁾

17.5M
2018 Unique
Annual
Visitors

551K
Medicare
Members⁽²⁾

170+
Carrier
Partnerships

91
Net Promoter Score
Medicare Business⁽³⁾

↑ 72%
Medicare Submitted
Applications
YTD 2019 YoY⁽²⁾

Selecting Health Insurance is Challenging for Consumers

Millions of Americans shopping for Health Insurance.

Choosing from **Thousands of Plans**

Increasing Complexity, Choice, and Volume of Information can be overwhelming

Traditional brokers offer **Limited Choices**

Stakes High with consequence of making wrong decision potentially devastating



Only 1 out of 10
of Medicare
beneficiaries
enrolled in
Optimal Plan⁽¹⁾

Leveraging Technology to Make Medicare Easy

Industry Today

- Face-to-face interaction
- Narrow Consumer choice
- Opaque price and coverage
- Little to no research
- Complexity

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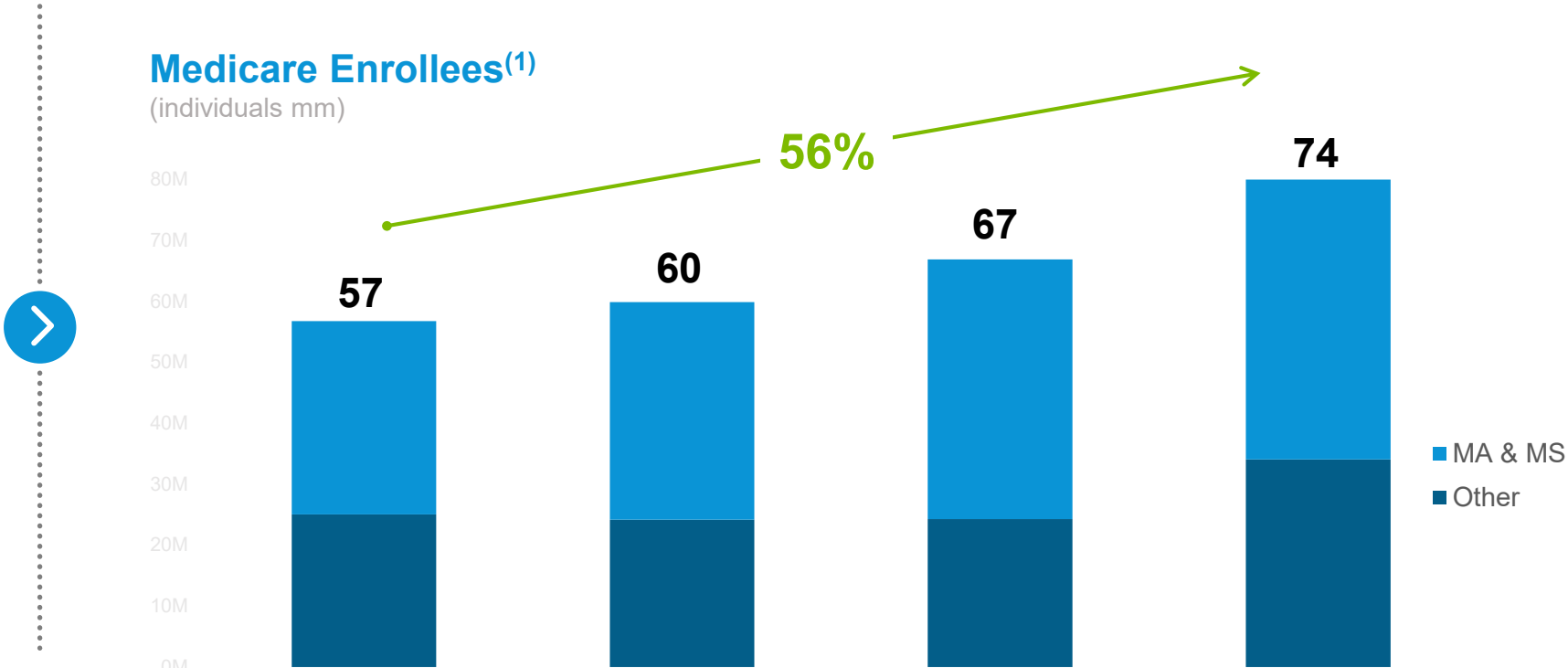
- Omni-channel experience
- Broad marketplace of plans
- Full transparency
- Easy comparison shopping
- Ease of transaction

eHealth Empowers Consumers to Choose the Right Health Insurance Plan

Strong Tailwinds

Large Market with a Growing Penetration of Private Plans

The number of enrollees in Medicare Advantage & Medicare supplement plans is **expected to grow 56%** between 2016 and 2026



	2016	2018	2022	2026
Medicare Advantage + Medicare Supplement	32M	36M	43M	50M
MA+MS Penetration	56%	60%	64%	67%

Competitive Landscape

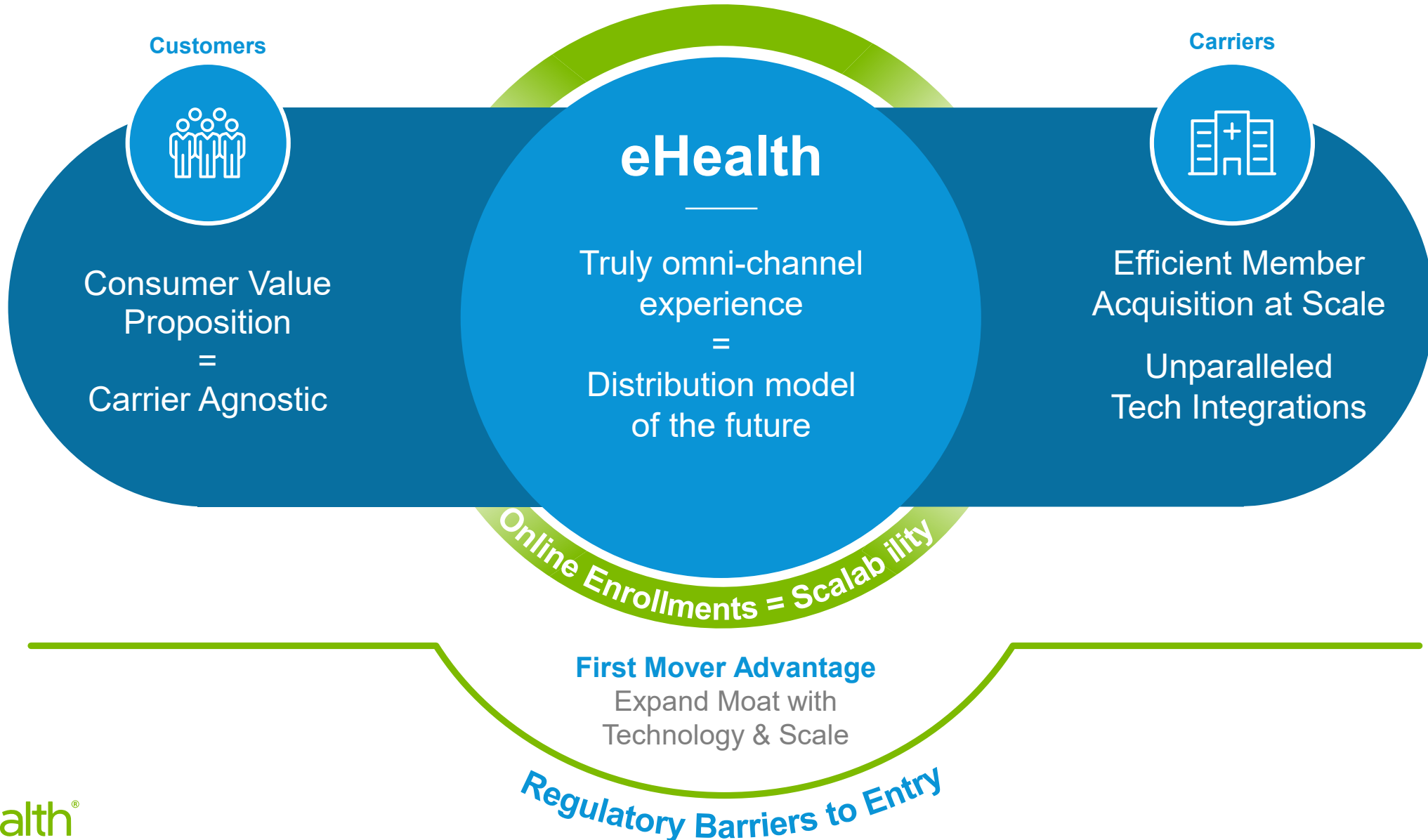
Omni-Channel Platform is a Major Competitive Differentiator

Grew 7x Market Rate in 2018⁽¹⁾

Taking Share From Traditional Channels

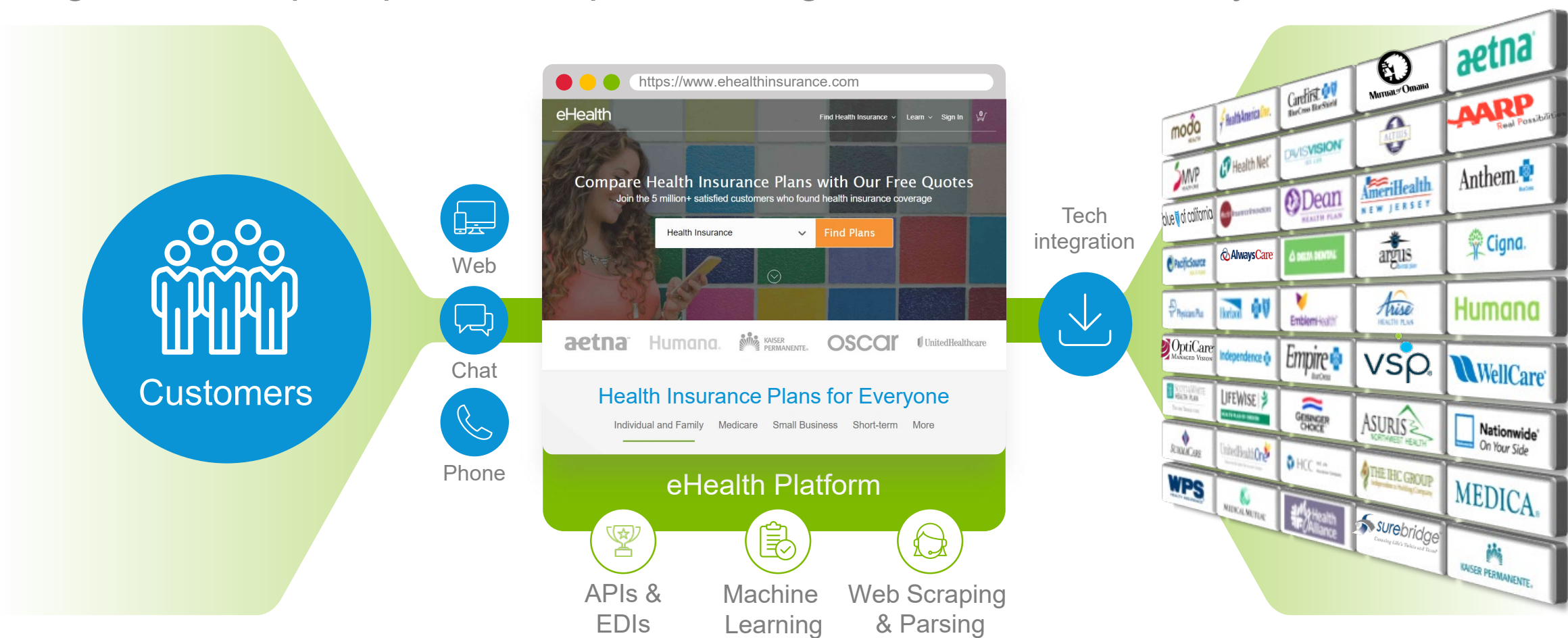
	eHealth	Traditional Brokers	Carriers
Broad Plan Selection	✓	—	—
Consumer Advocate/ Carrier Agnostic	✓	—	—
Plan Comparison Tools	✓	—	Limited
Best In Class Digital Experience	✓	—	—
Agent Support	✓	✓	✓
Scalability	✓	—	✓

Unique Value Proposition

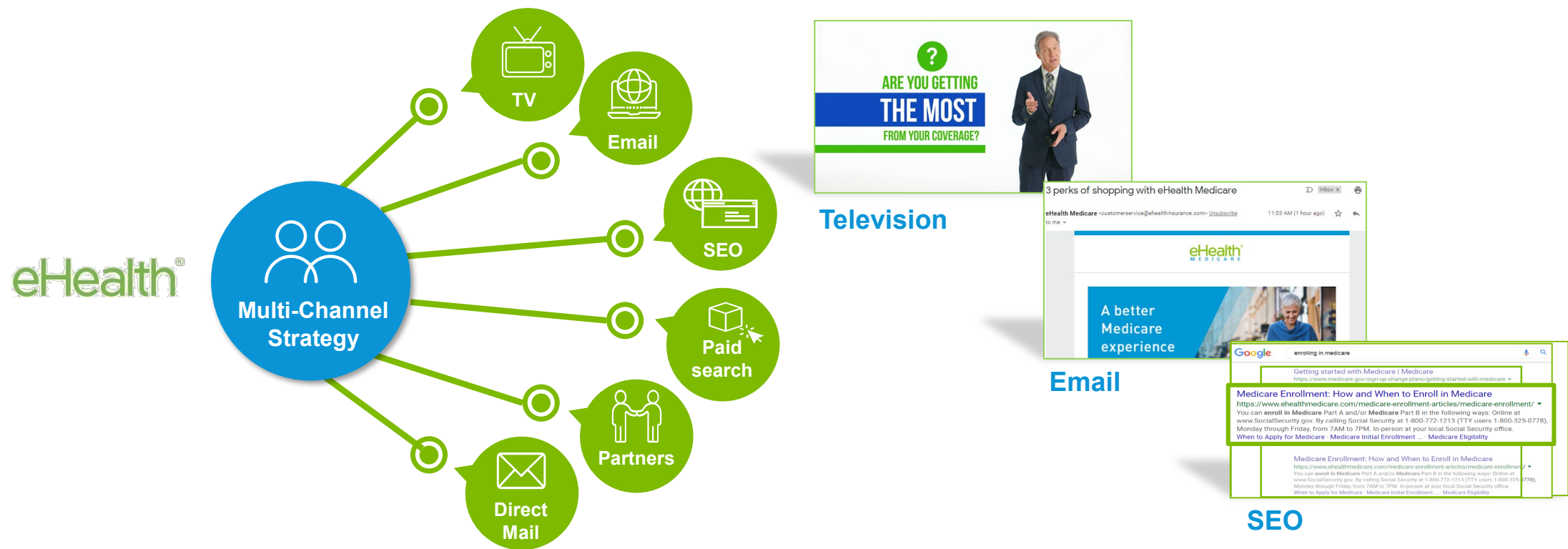


Decades of Carrier Relationships across 170+ Partners

Large and complex platform represents significant barrier to entry



Multi-Channel Customer Acquisition Strategy



Leveraging 20+ years of investments, technology and know-how to drive consumer engagement

Proven Brand and Digital Marketing Strategy

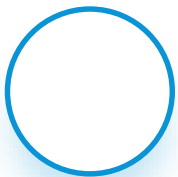


Strong organic search results



Medicare

- 1. Medicare.gov
- 2. eHealth[®]
- 3. MEDICARE INTERACTIVE .GOV
Powered by the Medicare Rights Center



Individual & Family

- 1. HealthCare.gov
- 2. eHealth[®]
- 3. UnitedHealthcare



Dental

- 1. eHealth[®]
- 2. DELTA DENTAL[®]
- 3. UnitedHealthcare



Vision

- 1. eHealth[®]
- 2. UnitedHealthcare
- 3. vsp individual vision plans



Small Business

- 1. eHealth[®]
- 2. fundera
- 3. PeopleKeep

Strategic Partners: Leveraging a Unique & High Value Customer Experience

Expand market reach and build barriers to entry by forging partnerships with key industry players

We Deliver

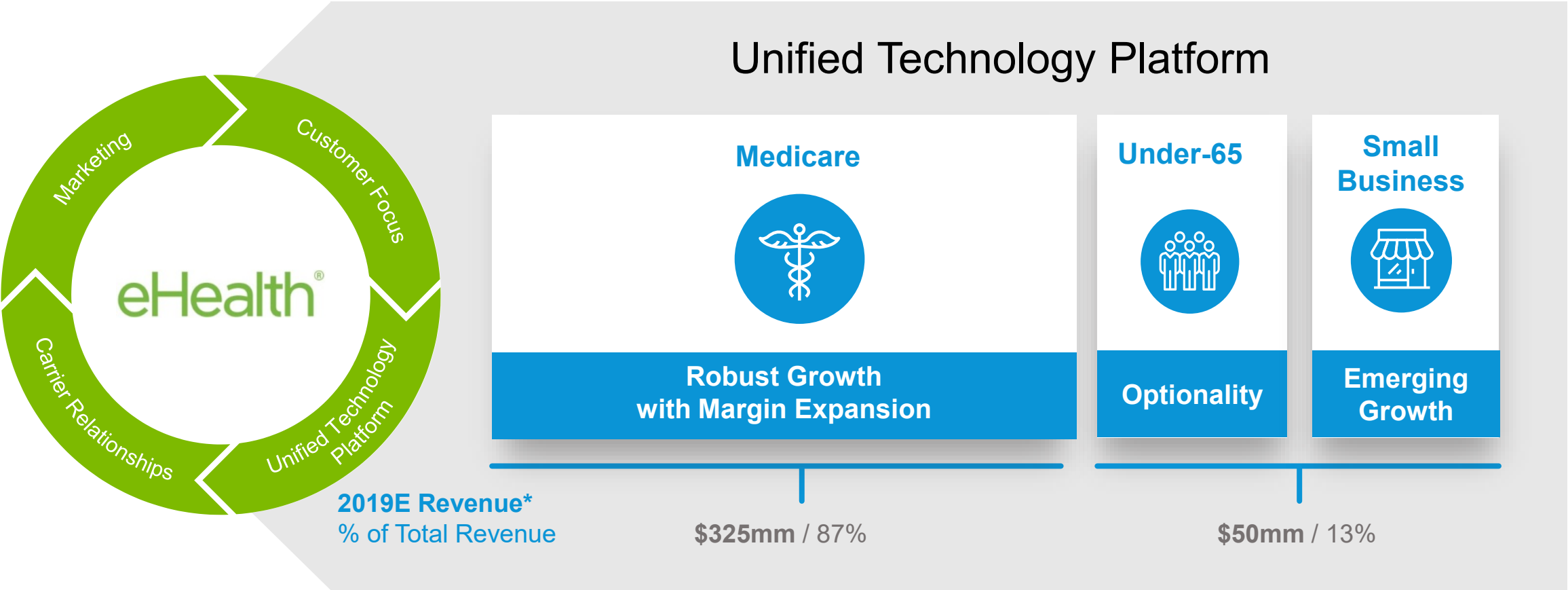
- Clear alignment of value for customer, partner & carrier
- Best-in-class tech support
 - API for seamless integration
- Increase stickiness and satisfaction of their customers/patients



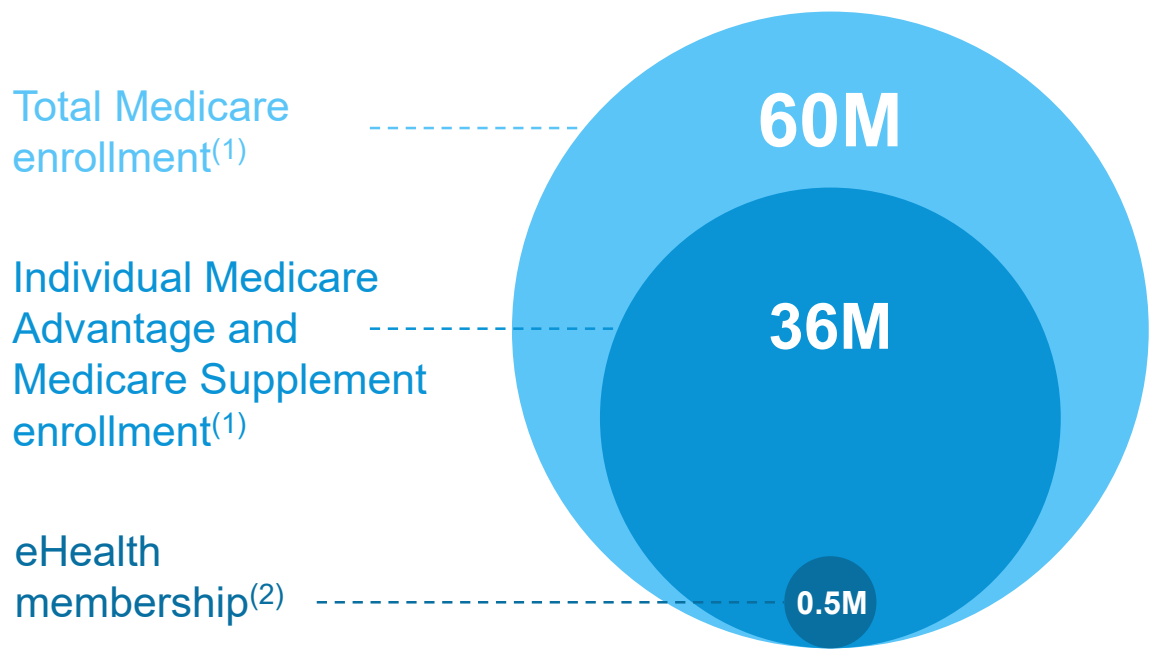
We Get

- Increase top of the funnel
- Know customer better
 - Increased conversions
 - Better Consumer experience
 - Higher % online
- Attractive member economics

Leveraging Capabilities Across Business



Driving to Scale



	Today	Illustrative Opportunity*		
Market size (people) ⁽¹⁾	60M	60M	60M	60M
Market share	<1%	4%	6%	8%
Members	0.5M ⁽²⁾	2.4M	3.6M	4.8M

\$19B+ current addressable Medicare market*

(1) Source: 2018 CSG Actuarial 8th Annual MS Market Projection. Based on 2016 statistics.

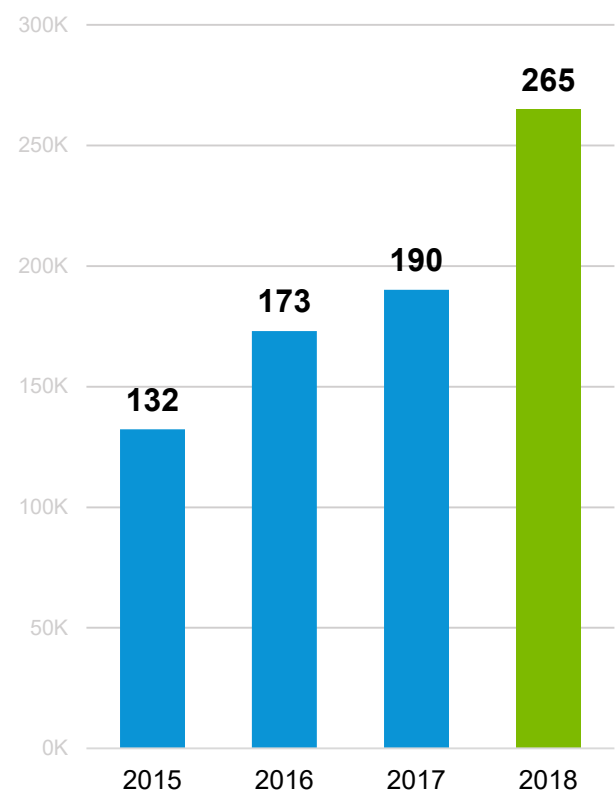
(2) As of 6/30/2019.

*Calculated by multiplying the number of individuals in the addressable market (60 Million) by average commission collections per member collected by eHealth from Medicare policies in 2018 (\$320 including MA, MS and PDP members). 60 Million x 320 = \$19.4 Billion

Growth Engine Performing Well...

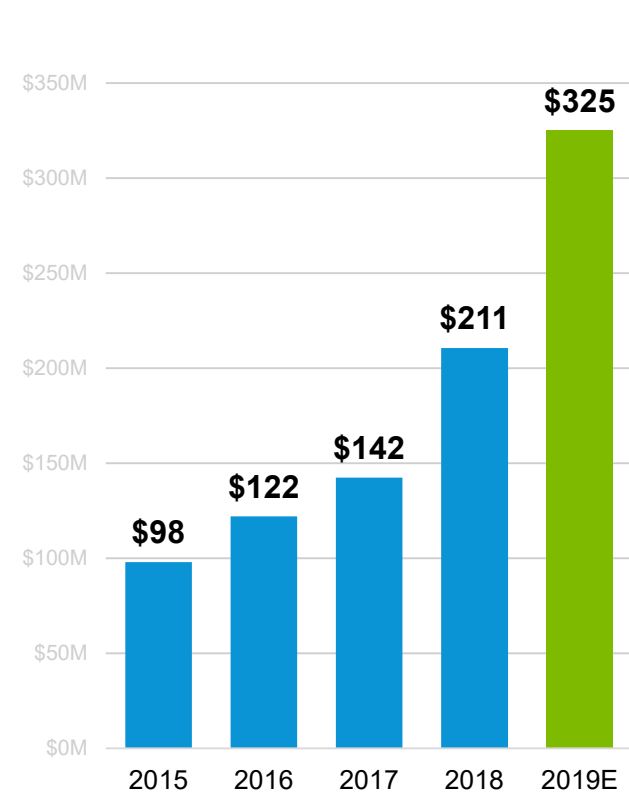
Medicare Applications

(In Thousands)



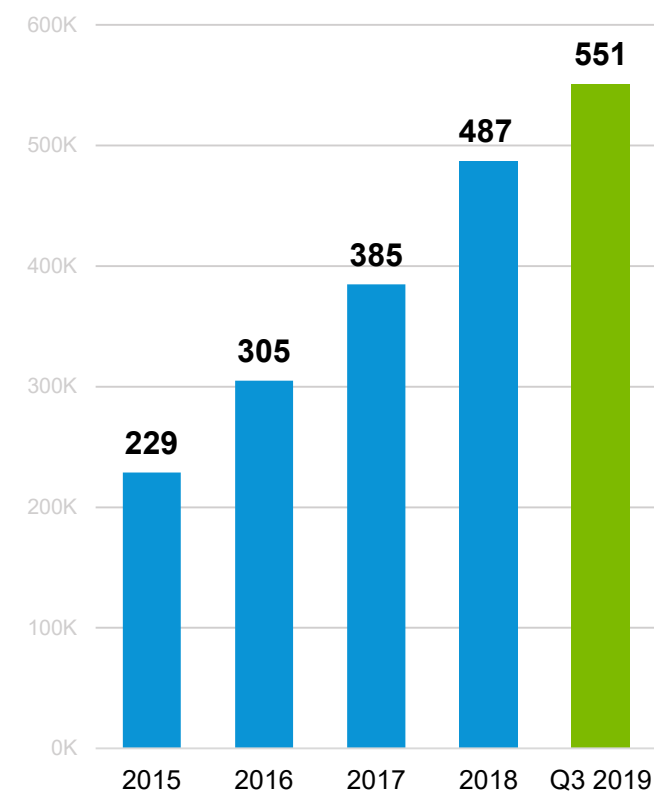
Medicare Revenues

(In Millions)



Estimated Medicare Membership

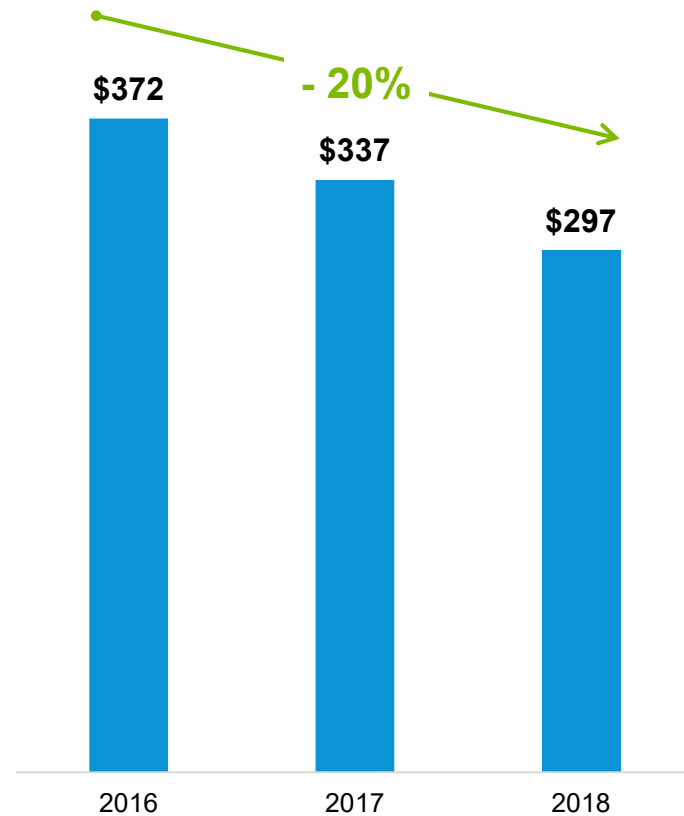
(In Thousands)



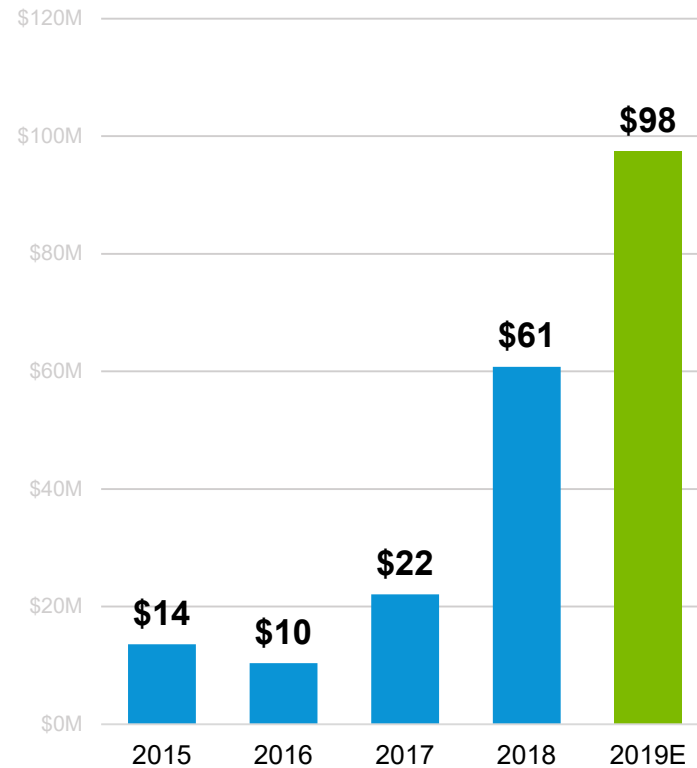
<1%
of the
addressable
market

...With Focus on Improving Profitability

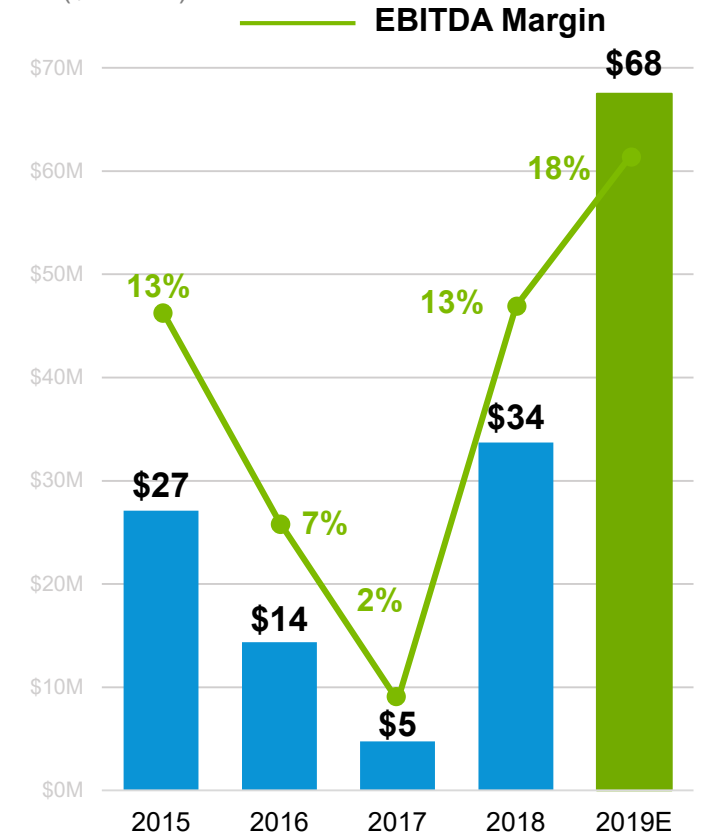
Medicare Variable Marketing Costs
(per enrollee)



Medicare Segment Profit
(\$ million)

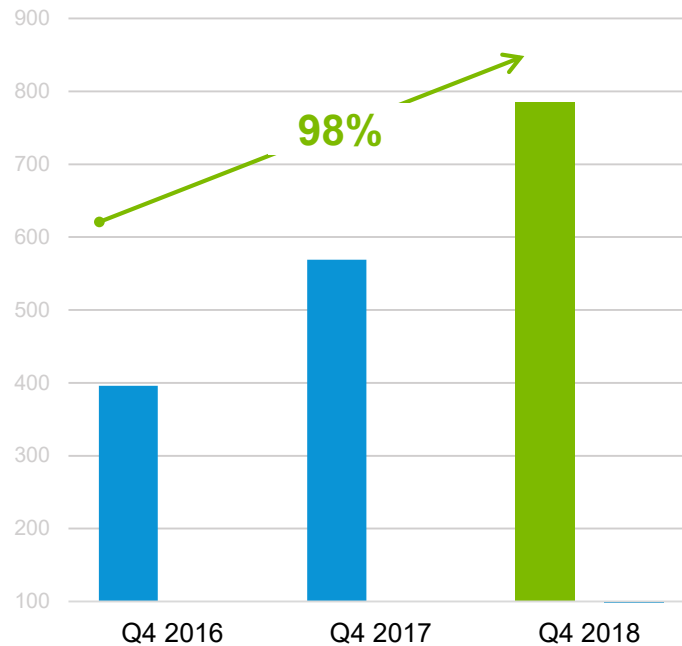


Total Adjusted EBITDA
(\$ million)



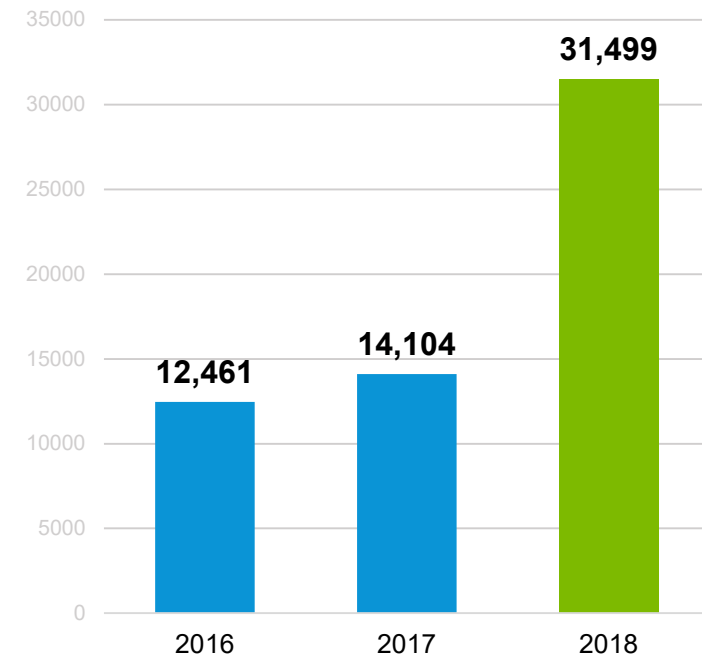
Revenue Growth & Profit Leverage Formula Established

Medicare Telesales Agents



Scale

Online Enrollments (MA+MS)

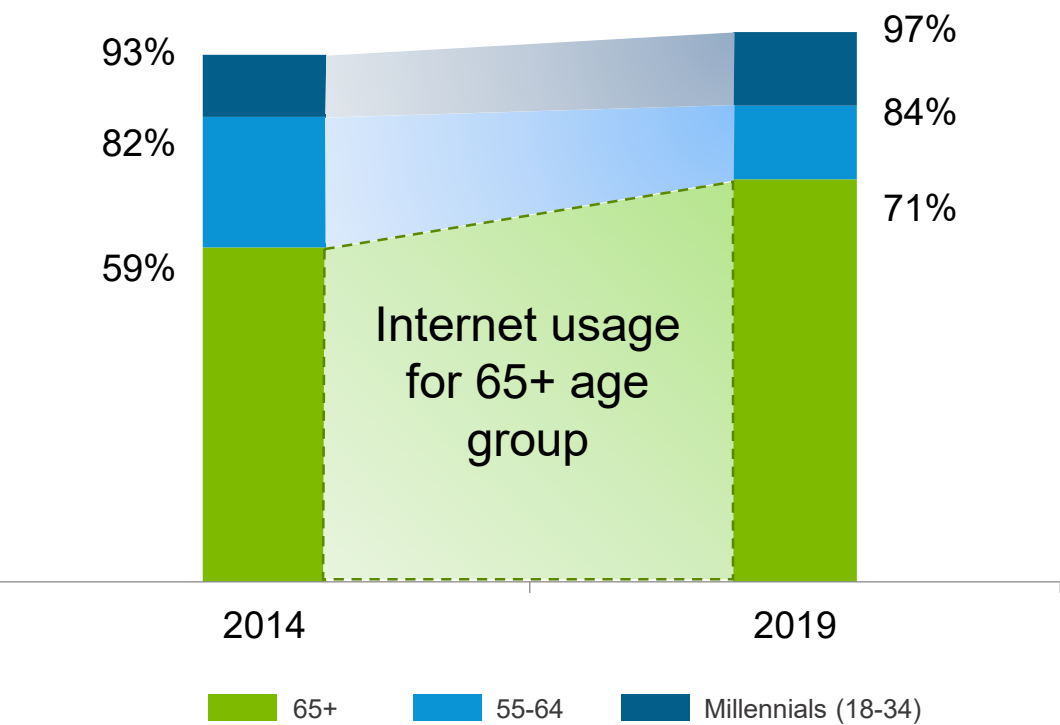


Scale + Leverage

Disciplined Focus on Revenue and Profit Growth

Secular Shift Driving Online Usage

% Internet Usage by Age Group⁽¹⁾



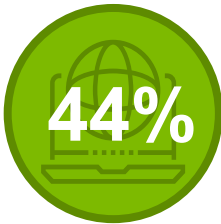
Senior Online Trends



Likely to make a purchase online⁽²⁾



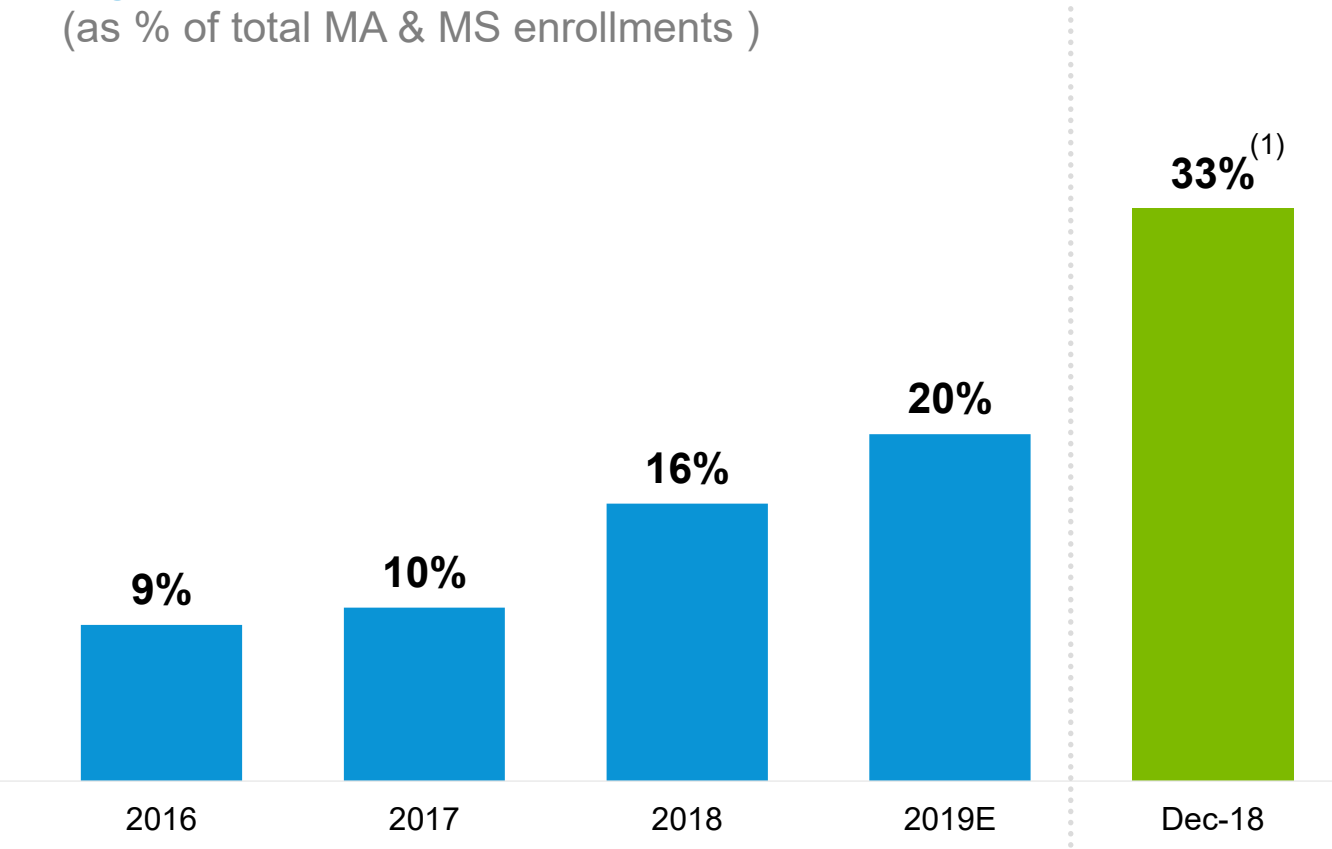
Own a smart phone (ages 65-69)⁽³⁾



Internet #1 preferred source of Health information among Seniors who use the internet⁽⁴⁾

eHealth Digitizing Medicare

Digital Enrollment Mix
(as % of total MA & MS enrollments)



- Strong growth through improving online experience & marketing
- Unique model expands competitive “moat” around business
- Reinvesting incremental margin to ramp digital growth
- Enables rapid scaling of business

Telesales Leverage: Unique Customer Engagement Advantages



High-Value Customer Engagement

- Broad Choice
- Decision Support Algorithms
- Proprietary Educational Content
- NPS > 90

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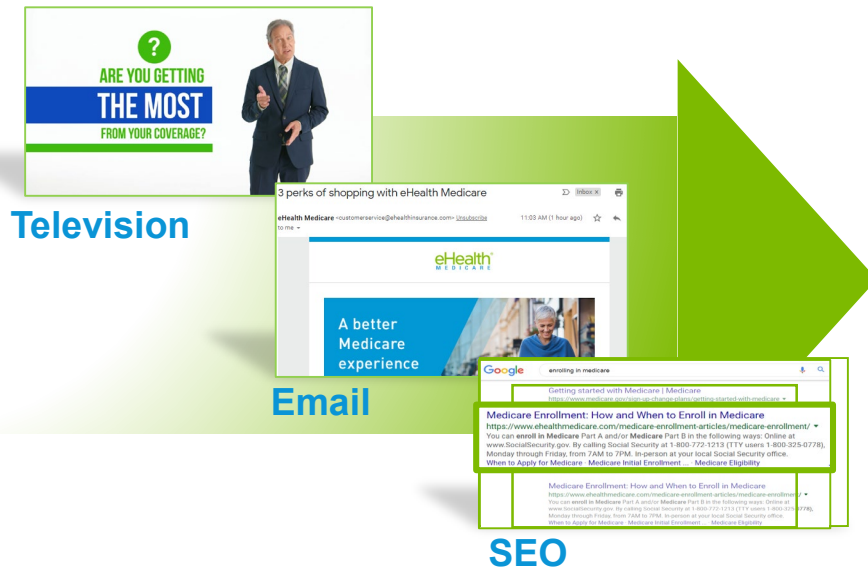
Technology Drives Customer Value and Efficiency

- Data Science and Scoring
- Customer Data / Intelligence
- Proprietary Agent Tools
- Expanding Sales Force
- Flex Capacity

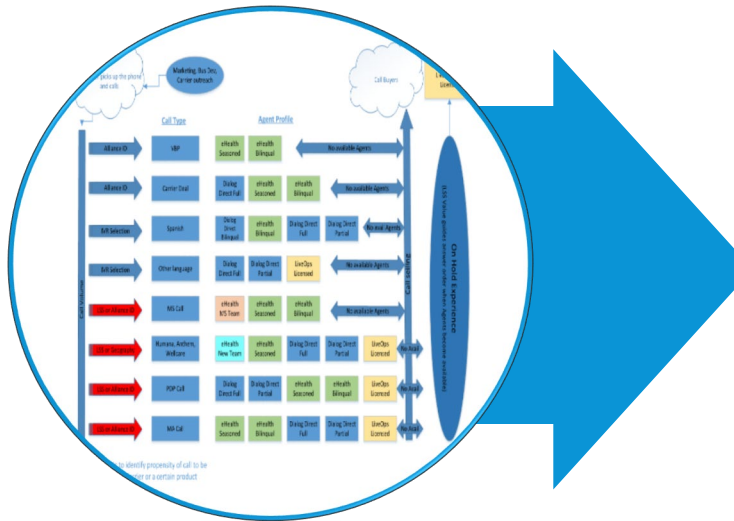
Driving Growth Exponentially Ahead of Market Rates

Data Science to Serve More Consumers

Efficiency and personalization driven by analytics capabilities



MARKETING PLATFORMS



AI-DRIVEN PREDICTIONS

Leads scored by "Subway Map" models and directed to best converting sales service.

Shorter call lengths
increased agent productivity
20%

New path 7x more effective at producing MS apps

Lead Segmentation
Delivered additional \$10M during AEP

IMPROVED AEP CONVERSION

Execution Objectives

1

Drive organic growth momentum

2

Exploit lack of digital competition

3

Expand/Deepen strategic partner relationships

4

Maintain discipline on improving member economics

5

Progress on improving IFP/SMB business lines

eHealth's Financial Fundamentals are Strong and Getting Stronger



Core Medicare Business

- YTD 2019: 76% YoY revenue growth
- YTD 2019 Medicare applications submitted online grew 202% YoY⁽¹⁾
- Estimated Membership: 551K⁽²⁾



Other Businesses

- IFP: Generates positive cash flow and provides option for future growth
- Small Business: Growing with potential to disrupt a large, highly fragmented market



Improving profitability & operating leverage

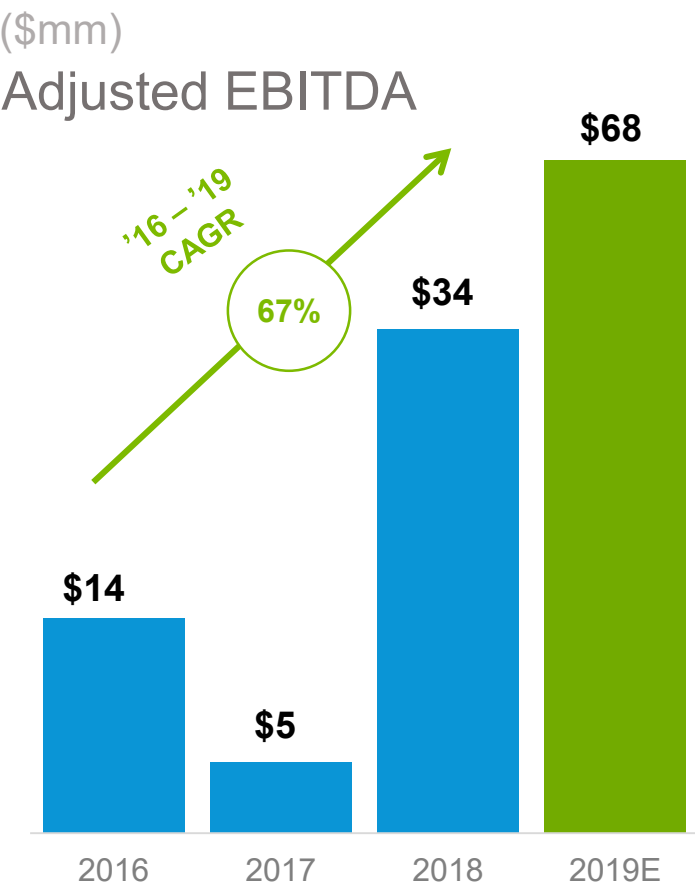
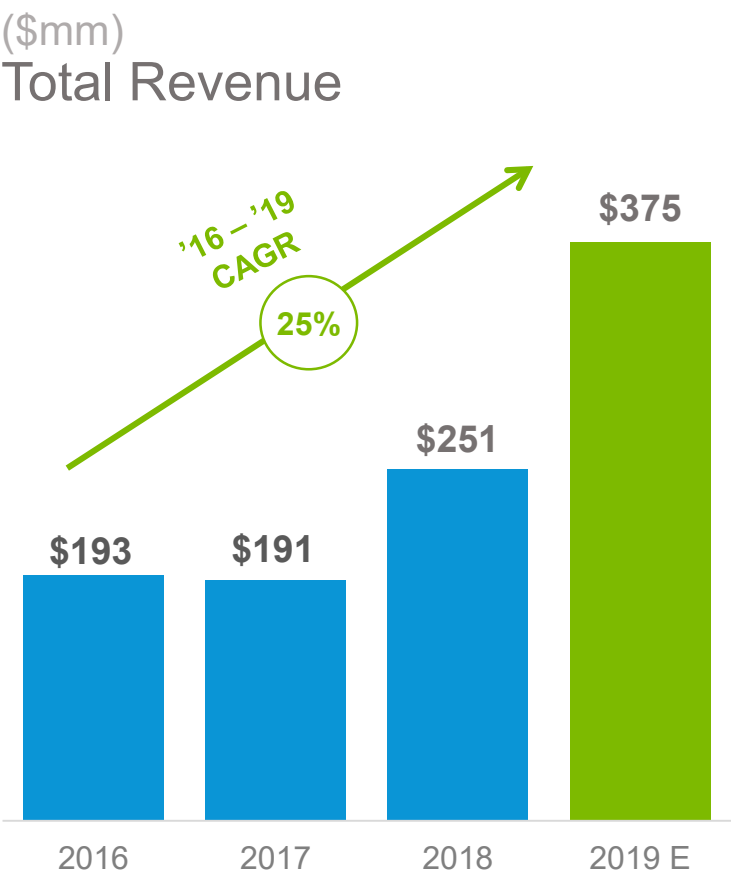
- Operating leverage: Scale business with minimal investment in fixed costs
- Variable costs: Sales agent costs expected to grow slower than revenues
- Reinvest operating leverage from online enrollments to accelerate growth
- EBITDA Margins more than doubling over next 5 years



Strong Balance Sheet

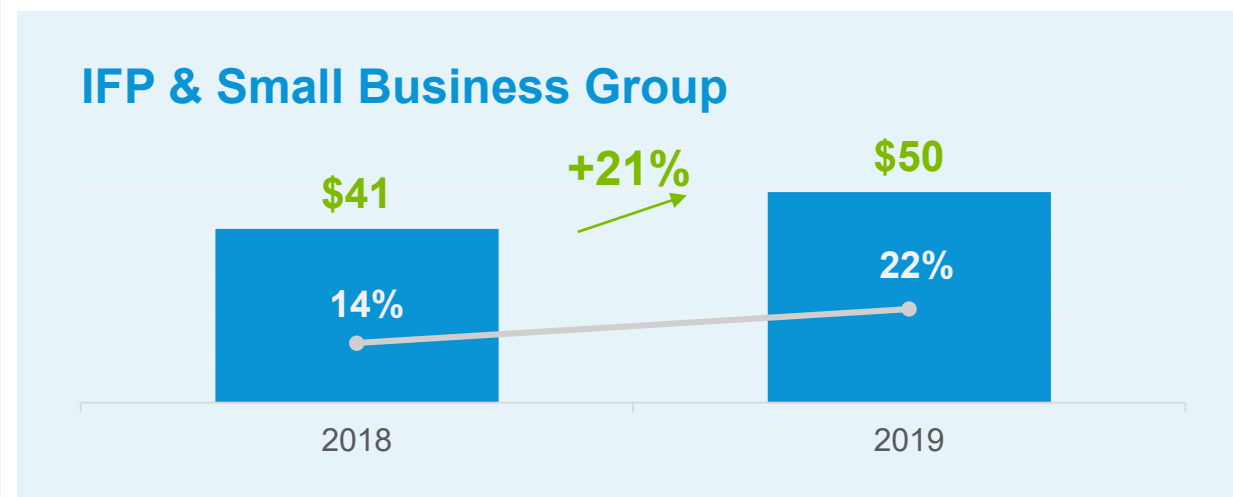
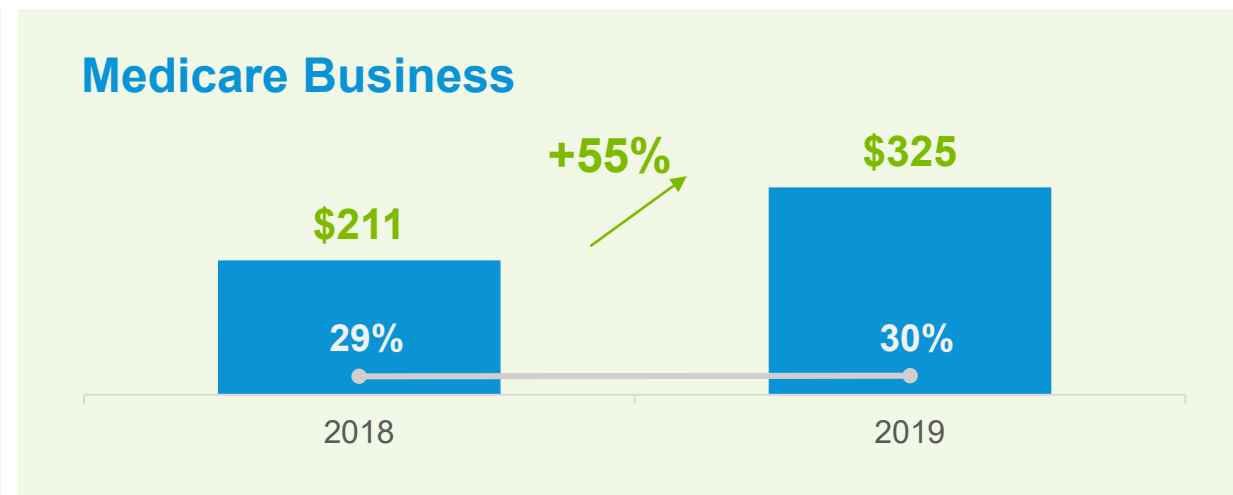
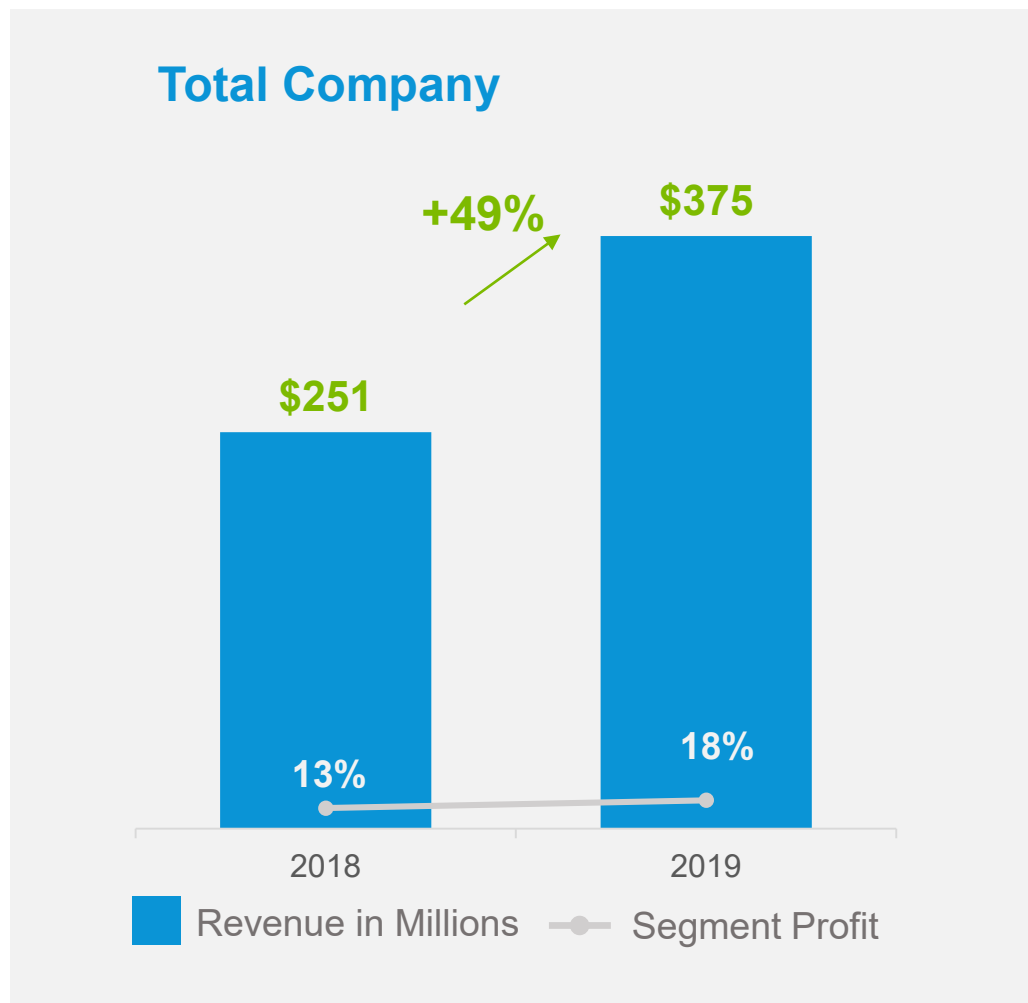
- \$91M⁽³⁾ in Cash and \$358M in Commissions Receivable as of September 30, 2019
- No debt; access to a \$40M Line of Credit

Revenue and EBITDA Growth



Building on Revenue and Earnings **Growth Momentum** achieved in 2018

2019 revised guidance with 49% revenue growth and improving EBITDA margins at 18%



Strong Balance Sheet

As of September 30, 2019	(\$ in Thousands)
Cash, cash equivalents, and restricted cash	\$91,424
Commissions receivable	\$357,736
Other assets	\$132,080
Total assets	\$581,240
Debt	\$0
Total liabilities	\$149,669
Stockholders' equity	\$431,571
Total liabilities and stockholders' equity	\$581,240

\$91 Million in Cash, a large and growing Commission Receivable, **no Debt** and access to a \$40 Million Revolving Line of Credit

eHealth: Just Getting Warmed Up



Leader in Consumer Health engagement solutions



Core Medicare market has strong tailwinds



One-of-a-kind Omni-channel platform enables high growth and creates strong barriers to entry



Unique online enrollment and expanding telesales platforms driving revenue and profit growth well above market rates



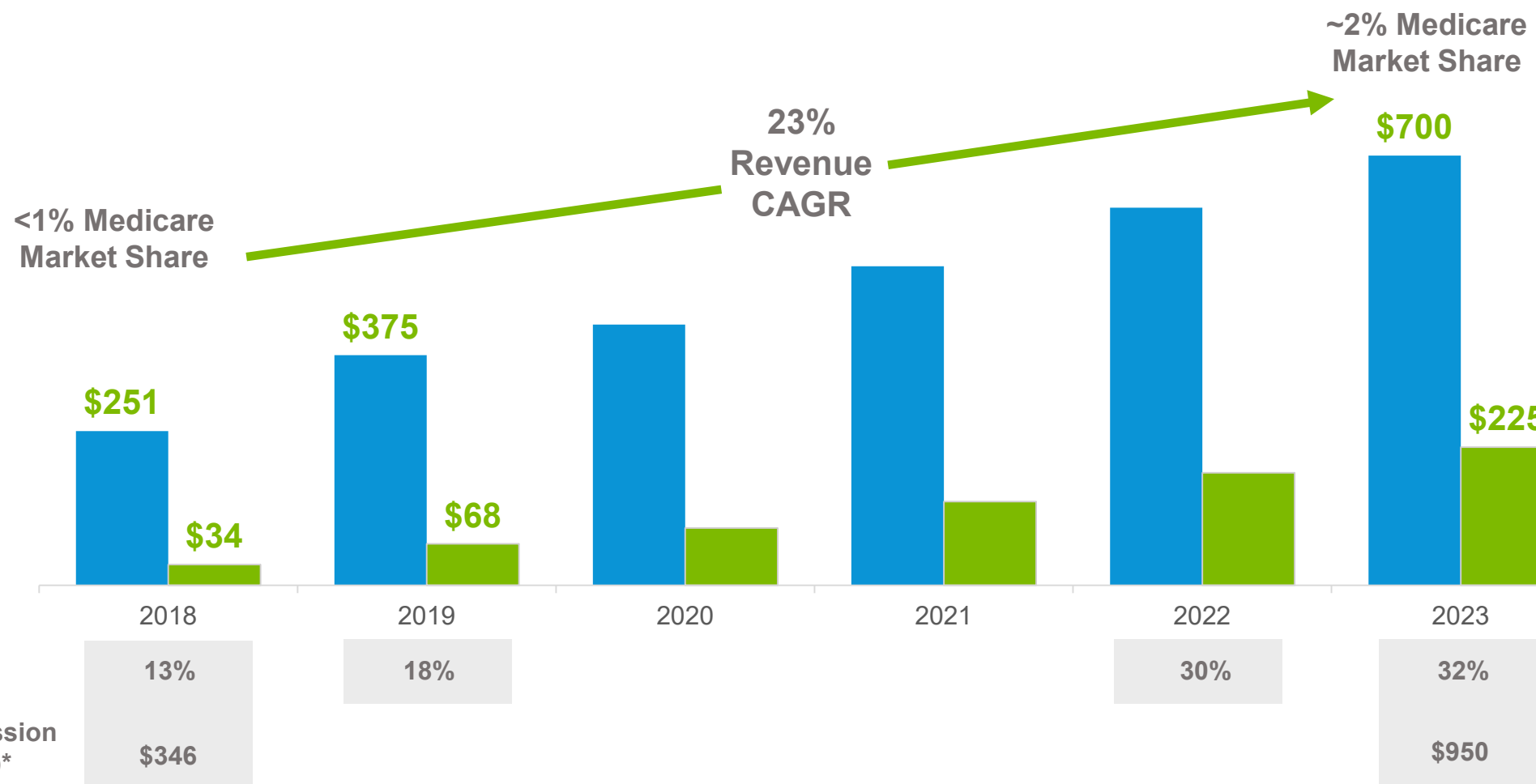
Strong balance sheet and potential for significant cash flow generation as we scale

Re-tooled management team executing with urgency to expand market lead and service more Consumers

Long Term Financial Goals – Current Case

Revised 5-year Outlook for 2019-2023

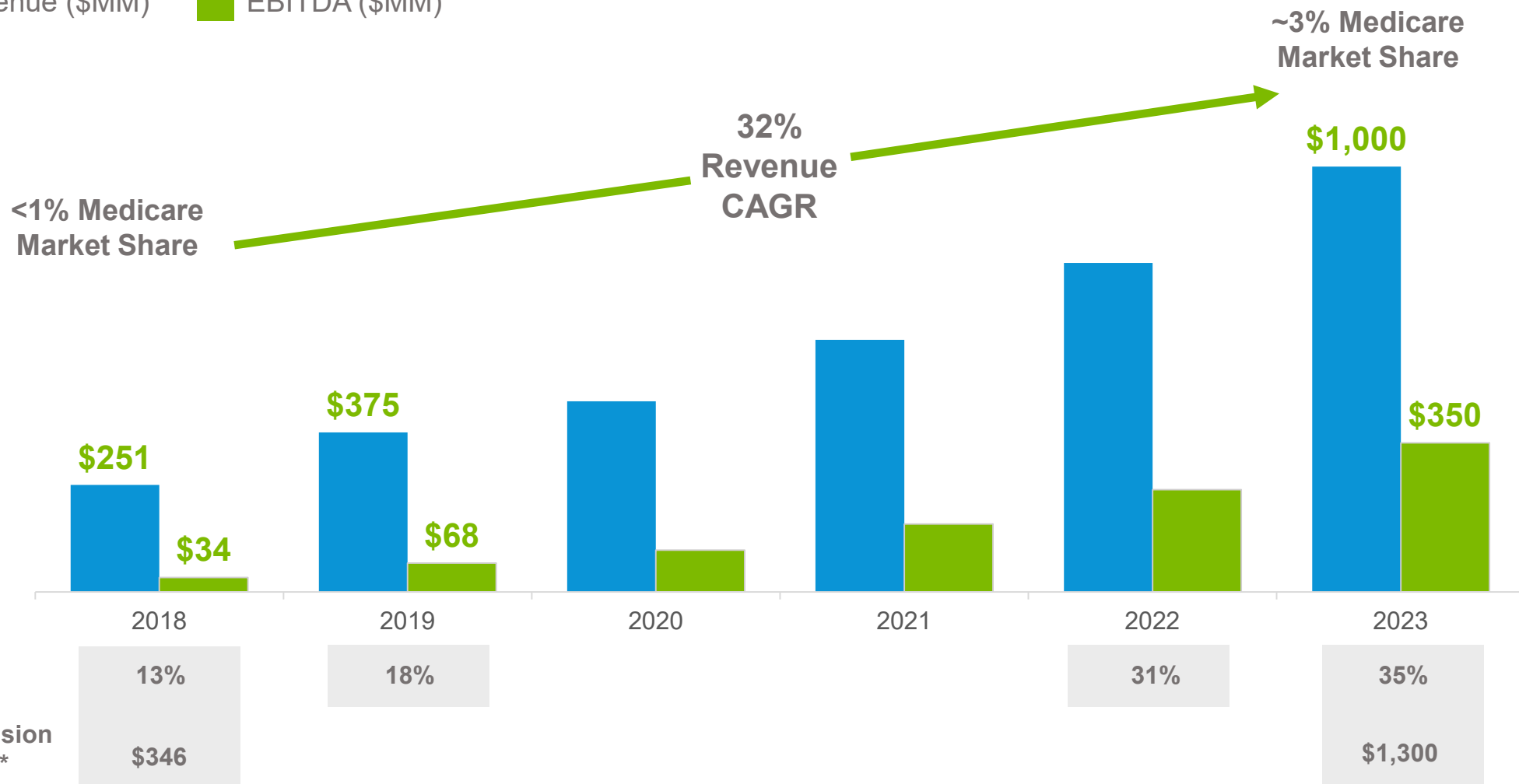
Revenue (\$MM) EBITDA (\$MM)



Long Term Financial Goals – Tailwind Case⁽¹⁾

Revised 5-year Outlook for 2019-2023

■ Revenue (\$MM) ■ EBITDA (\$MM)



1. **Tailwind vs. Current Case:** Tailwind case assumes: 1) Penetration of Medicare private plans (MA + MS) increases from ~65% to 75-80% by 2023 2) Higher level of consumer online adoption with percentage of online applications increasing from 38% to 50% by 2023 3) Increases in fixed cost (SG&A, Sales & Marketing, and Technology and Support) to support higher revenue growth

* Commission Receivables balance is of 12/31 of each year.

A photograph of an older man and woman sitting at a table, looking at a tablet together. The man is on the left, wearing a dark blue sweater, and the woman is on the right, wearing a white button-down shirt. They are both smiling and looking at the tablet. There are two white mugs on the table in front of them. The background is a kitchen with a blue cabinet and a green mug on a shelf.

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Appendix

Commission cycle starts when revenue is recognized with new enrollments



Constrained LTVs driven by three main factors, plus constraint

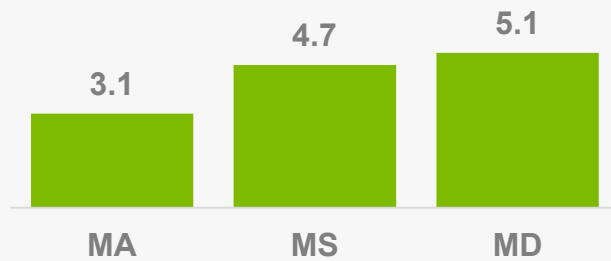
FACTORS

- Based on 8-quarter model of actual observations.
- Calculated on a monthly “cohort” basis.

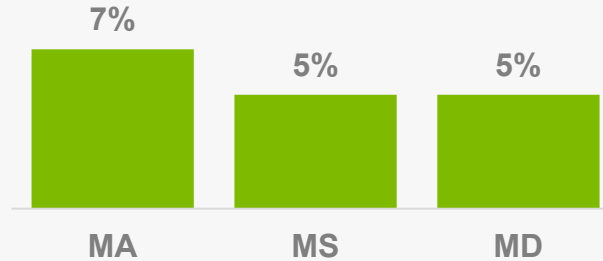
- Additional factor of conservatism to reflect market and other risk to collect.

- **Commission rates**
- **Average policy life**
- **Approved-to-paying member rate**
- **Constraint**

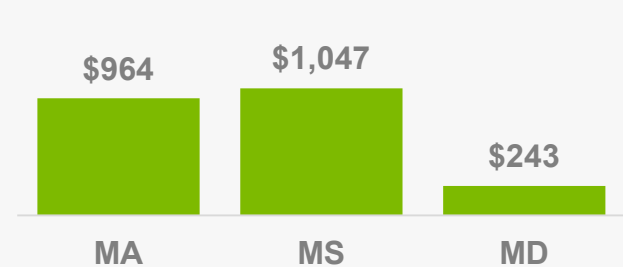
Est. Avg Policy Life (Years)



Constraint (%) ⁽¹⁾



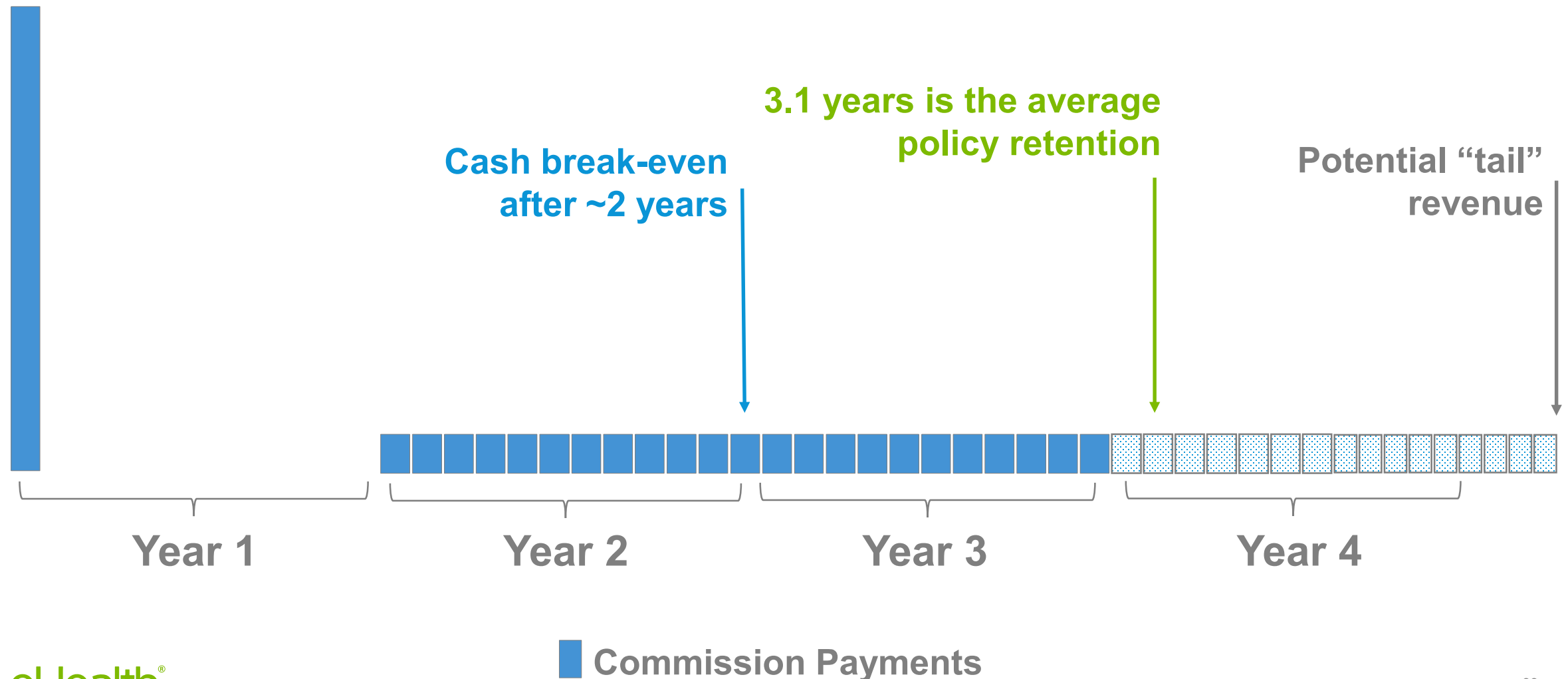
Constrained LTV ⁽¹⁾



(1) As reported for FY 2018.

Medicare Advantage Commissions Cash Flow

Illustrative Example



Medicare Advantage Plan Member Turnover Trend Since Q4 2018

	Q4 18	Q1 19	Q2 19	Q3 19
Estimated Beginning Membership⁽¹⁾	235,269	276,357	280,763	291,171
Approved Members⁽²⁾	83,376	40,741	36,576	35,171
Estimated Total New Paying Members from Approved Members ⁽³⁾	76,180	39,087	34,614	33,284
Less Estimated Future Quarters Paying Members from Approved Members ⁽⁴⁾	(15,920)	(5,476)	(3,968)	(3,278)
New Paying Members from Approved Members ⁽⁵⁾	60,260	33,611	30,646	30,006
Plus				
New Paying Members from Prior Quarters Approved Members ⁽⁶⁾	2,557	15,920	5,476	3,968
New Paying Members⁽⁷⁾	62,817	49,531	36,122	33,974
Estimated Ending Membership⁽⁸⁾	276,357	280,763	291,171	309,180
Medicare Advantage Plan Member Turnover⁽⁹⁾	21,729	45,125	25,714	15,965
Trailing Twelve Month Member Turnover ⁽¹⁰⁾	95,065	89,357	102,403	108,533
Average Trailing Twelve Month Estimated Membership Plus New Paying Members ⁽¹¹⁾	262,856	276,949	296,491	316,501
Trailing Twelve Month Member Turnover Rate⁽¹²⁾	36%	32%	35%	34%

Trailing Twelve Month Approved to Paid Ratio⁽¹³⁾

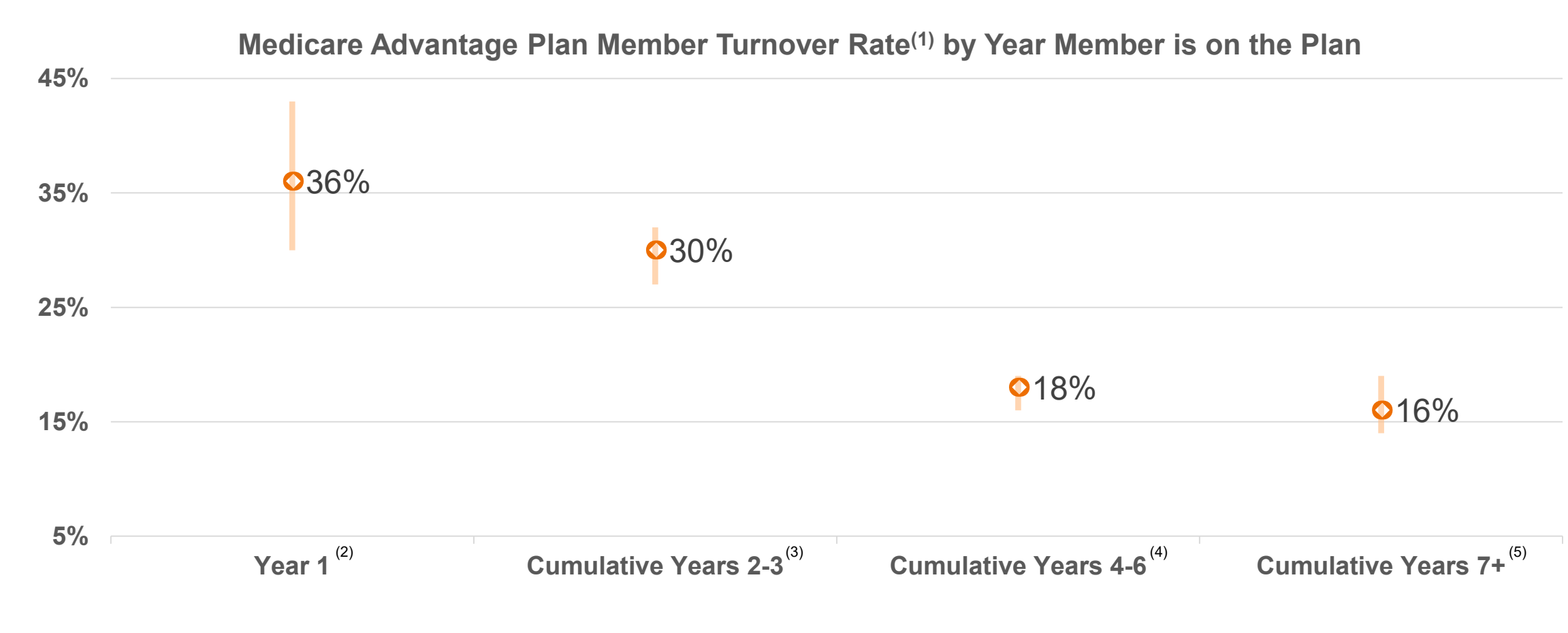
91%	92%	93%	93%
-----	-----	-----	-----

Avg = 92%

Medicare Advantage Plan Member Turnover Trend Since Q4 2018

- (1) Estimated Beginning Membership is the Estimated Ending Membership for the period prior to the period of estimation. Membership is estimated using the methodology described in our periodic filings with the Securities and Exchange Commission.
- (2) The number of approved members is equal to the number of individuals on applications that were approved during the period presented and includes individuals on approved applications that were submitted prior to the period presented. A single application for some products may cover more than one individual. Each of the individuals on a single submitted application are counted as approved members after the application is approved.
- (3) Estimated Total New Paying Members from Approved Members represents estimated number of current quarter's approved members for whom we expect to receive a commission payment in the current quarter or future quarters. We estimate Total New Paying Members by applying our historical experience for the percentage of approved members who pay for their plans.
- (4) Estimated Future Quarters Paying Members from Approved Members represents estimated number of current quarter's approved members for whom we expect to receive a commission payment in future quarters and not in the current quarter. We calculate Future Quarters Paying Members as follows: Estimated Total New Paying Members from Approved Members minus New Paying Members from Approved Members.
- (5) New Paying Members from Approved Members represents the number of current quarter's approved members for whom we have received or applied a commission payment in the current quarter.
- (6) New Paying Members from Prior Quarter Approved Members represents the number of prior quarters' approved members for whom we have received or applied a commission payment in the current quarter.
- (7) New Paying Members is the sum of (i) New Paying Members from Approved Members; plus (ii) New Paying Members from Prior Quarters Approved Members.
- (8) Estimated Ending Membership is the number of members we estimate as of the end of the period. Membership is estimated using the methodology described in our periodic filings with the Securities and Exchange Commission.
- (9) Medicare Advantage Plan Member Turnover for the period is derived as follows: Estimated Beginning Membership plus New Paying Members minus Estimated Ending Membership.
- (10) Trailing Twelve Month Member Turnover is the sum of Medicare Advantage Plan Member Turnover for the prior twelve months.
- (11) Average Trailing Twelve Month Estimated Membership Plus New Paying Members is the sum of (i) trailing twelve month Estimated Beginning Membership, plus (ii) New Paying Members for the trailing twelve month, divided by 4.
- (12) Trailing Twelve Month Member Turnover Rate is Trailing Twelve Month Turnover divided by Average Trailing Twelve Month Estimated Membership Plus New Paying Members.
- (13) Trailing Twelve Month Approved to Paid Ratio is the sum of trailing twelve month New Paying Members divided by the sum of trailing twelve month Approved Members.

Medicare Advantage Plan Member Turnover Rate⁽¹⁾ by Year



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(1) Based on actual historical and estimated future member turnover as a percentage of initial paid members for each historical cohort by policy effective date; weighted based on initial paid members
(2) Year 1 represents the annual member turnover rate by the 1 year anniversary of the policy effective date
(3) Cumulative Years 2-3 represents the sum of incremental annual member turnover rate between the first anniversary and third anniversary of policy effective date
(4) Cumulative Years 4-6 represents the sum of incremental annual member turnover rate between the third anniversary and the sixth anniversary of policy effective date
(5) Cumulative Years 7+ represents the sum of incremental annual member turnover rate after the sixth anniversary of the policy effective date until the cohort has or is expected to turnover completely